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Butrus-Ghali Contacted on Ecuador-Peru Dispute

PA2901034095 Madrid EFE in Spanish 0013 GMT 29 Jan 95

[FBIS Translated Text] United Nations, 28 Jan (EFE)—Ecuador has asked UN Secretary General Butrus Butrus-Ghali to inform the Security Council about Peru's "aggression" against Ecuador to enable preventive diplomatic initiatives, such as the ones contained in the "Agenda for Peace," to be undertaken to restore peace.

These are the main points of the letter issued by Ecuadoran Foreign Minister Galo Leoro, which the Ecuadoran representative at the United Nations, Luis Valencia Rodriguez, was supposed to hand over to Butrus-Ghali tonight, Valencia told EFE.

Ecuador is not asking Butrus-Ghali to send a special envoy, Valencia Rodriguez said. "We are not ruling out the possibility of asking for one in the future," but this will depend on how events unfold, he added.

Border clashes between Ecuador and Peru, which are fighting over an area of disputed territory, have worsened since Thursday. The Ecuadorans have been reporting casualties, but the Peruvians have not released any reports on casualties or the number of clashes, according to reports from the area.

Ecuador is not expecting Butrus-Ghali to respond to the foreign minister's letter immediately. A fax of the letter has already been sent to the secretary general, but the original will be handed over to him tonight. The Ecuadoran ambassador also said he has not asked for a Security Council meeting to discuss the conflict situation between Peru and Ecuador. What I did ask the Security Council president, Argentine representative Emilio Cardenas, to do was to inform the council of the situation, he said.

After noting that telephone conversations continue among members of the Security Council, he said he is waiting for what the guarantor countries of the Rio de Janeiro Protocol have to say, as well as the results of the "important" negotiations being conducted by OAS Secretary General Cesar Gaviria, who has visited Quito and Lima within the past few hours.

Ecuador decided to warn the United Nations about the situation after noting that Peru had not responded to the proposal made by the guarantor countries of the Rio de Janeiro Protocol of 1942.

The four guarantor countries—Argentina, Chile, Brazil, and the United States—proposed yesterday the creation of a commission comprising representatives of these four countries and Ecuador and Peru to help resolve the dispute. The commission also will travel to the scene of the fighting.

Ecuador has accepted this proposal, but Peru has not yet answered, Valencia Rodriguez noted.

Asked about what the United Nations could do in terms of preventive diplomacy, he referred to the actions the Security Council could take to enforce the articles of the UN Charter on procedures and methods for the peaceful resolution of disputes, including the participation of other regional organizations.

The Peruvian Government has announced its opposition of OAS and UN intervention in the conflict, saying it must be resolved by the parties involved and by the guarantor countries of the Rio de Janeiro Protocol.

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Guarantors Urge Ecuador, Peru To Resolve Conflict

PA2801152895 Paris AFP in Spanish 1337 GMT 28 Jan 95

[FBIS Translated Text] Brasilia, 28 Jan (AFP)—It was officially announced today in Brasilia that Brazil, Argentina, Chile, and the United States, guarantor countries of the 1942 Peace Treaty between Peru and Ecuador, have urged both countries' administrations to peacefully resolve their border conflict.

In a press communique, the Brazilian Foreign Ministry added that the four guarantor countries met on Friday in Brasilia and decided to notify the Lima and Quito governments that they:

Deplore the intensification of tensions in the border area.

Reiterate the terms of their Declaration of 25 January 1995.

Underscore the absolute urgency of a withdrawal [separacion] of forces and the suspension of military exercises and operations in the border area.

Based on the agreement reached at the meeting on 27 January (in Brasilia) and the notification (to the two governments) decided upon (at that meeting), the guarantor countries are encouraging Ecuador and Peru to adopt lasting solutions that will overcome the current situation and are willing to contribute to the achievement of that goal.

Ecuador To Appeal to OAS, UN if Peace Bids Do Not Advance

PA2901220495 Madrid EFE in Spanish 2026 GMT 29 Jan 95

[FBIS Translated Excerpt] United Nations, 29 Jan (EFE)—Ecuador may request a meeting of the UN Security Council, the OAS foreign ministers, or both if efforts by the guarantors of the Rio de Janeiro Protocol do not lead to progress in the border dispute with Peru.

"The longest we will wait is today," Luis Valencia Rodriguez, ambassador to the United Nations, told EFE. He also confirmed that Peru carried out a "large-scale" attack on 10 Ecuadoran detachments today.

Ecuador has accepted the proposal by the four guarantor countries of the 1942 Protocol—Argentina, Brazil, Chile, and the United States—to have a joint commission go to the scene of the incidents and verify the situation, but "we still do not know" the Peruvian response, Valencia Rodriguez noted.

The results of the efforts by the four guarantor countries "are expected at any moment," Ambassador Valencia stated during a telephone interview with EFE.

If Peru does not respond today and the efforts are not successful, Ecuador may request tomorrow consultations with the OAS foreign ministers, a meeting of the UN Security Council, or both, as it deems appropriate, he added. [passage omitted]

In a memorandum dated today and distributed by the Ecuadoran mission at the United Nations, Ecuador detailed the diplomatic efforts made before Peru "to halt the violations that harm international peace and Ecuadoran security."

Ecuador "had to appeal for action" to the guarantor countries "in view of the evidence that Peru was implementing a policy of constant provocation and threats that is incompatible with international law."

Ecuador, the document concluded, "has accepted the proposals of the guarantor countries to halt the attacks and restore peace."

The UN Security Council president is being informed of the developments, but a meeting of that body has been ruled out for today, diplomatic sources told EFE.

For informational purposes alone, the topic may be brought up tomorrow, Monday, during the UN Security Council's consultations on Haiti and other topics, they added.

In addition, UN Secretary General Butrus Butrus-Ghali issued a communique yesterday stating that he was "deeply concerned" about the "tension" between Ecuador and Peru and hailing the efforts by the guarantor countries and OAS Secretary General Cesar Gaviria. Butrus-Ghali added that he was willing to offer his support to help overcome the crisis.

OAS Chief Urges Reopening Channels of Communication

PA2801020495 Quito Voz de los Andes in Spanish 0046 GMT 28 Jan 95

[Communique issued by OAS Secretary General Cesar Gaviria in Washington, D.C. on 27 January—read by reporter Mario Martinez y Palacios from OAS Headquarters in Washington, D.C.]

[FBIS Translated Text] Cognizant of the events on the Amazonian border of Peru and Ecuador, OAS Secretary General Cesar Gaviria calls on the two countries to reopen channels of communication and dialogue in order to put an end to the tension that has been experienced in the last few days.

The secretary general emphasizes the significance of the communique issued by the group of countries that guarantees the Rio de Janeiro Protocol, namely Argentina, Brazil, Chile, and the United States, as well as that of the statements the Ecuadoran and Peruvian Foreign Relations Ministries issued to prioritize the peaceful solution to their differences.

The OAS secretary general emphasizes his constant willingness to actively contribute to reestablishing and

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preserving the peace between two nations, which have traditionally maintained excellent relations and have proven, within the bosom of the inter-American system, their permanent respect for principles of international law.

The OAS secretary general will remain in constant contact with the president of the OAS Permanent Council in order to study the possibility of the council summoning its members to a meeting, should it be advisable or necessary.

The OAS secretary general stresses the significance and importance of preserving the solidarity among and the integration process by our peoples. The ties among our nations have became stronger. This is the spirit that must encourage all countries in the hemisphere to resolve their differences through peaceful means.

OAS Head Meets Duran-Ballen, Fujimori

PA2901213695 Madrid EFE in Spanish 1934 GMT 29 Jan 95

[FBIS Translated Text] Washington, 29 Jan (EFE)—OAS Colombian Cesar Gaviria asserted today that he found goodwill in Ecuador and Peru to find a peaceful solution to their border tensions.

After meeting with Ecuadoran President Sixto Duran-Ballen and Peruvian President Alberto Fujimori on Saturday, Gaviria announced in a communique issued in Washington today that he will remain in that region at the request of the two countries.

The former Colombian president arrived in Santa Fe de Bogota last night after meeting with Duran-Ballen in Quito for the second time on Saturday afternoon.

Gaviria has been working with the Ecuadoran and Peruvian presidents over the past days to find ways to end the war tensions at the Amazonian border between both countries.

OAS sources said the secretary general of this regional organization will remain in the area to ease the intense consultation process, which constitutes his goodwill mission.

Gaviria has emphasized the importance of the role played by the guarantors countries of the Rio de Janeiro Protocol—United States, Brazil, Argentina, and Chile—as a fundamental instrument for finding a solution to the current Ecuadoran-Peruvian crisis, which stems from territorial differences.

The communique issued by the hemispheric organization states that Cesar Gaviria is in permanent contact with Duran-Ballen and Fujimori and with the guarantor countries of the Rio de Janeiro Protocol.

The Governments of Ecuador and Peru today made mutual accusations of alleged violations of their territories by military forces from the other country, skirmishes, and other events against their respective sovereignties.

According to several South American sources, 20 Peruvian and 3 Ecuadoran soldiers have died in combat at the Amazonian border between the two countries.

Presidents Urges Cease-Fire in Peru-Ecuador Conflict

PA2901180495 Panama City ACAN in Spanish 1635 GMT 29 Jan 95

[FBIS Translated Text] Panama City, 29 Jan (ACAN-EFE)—The Panamanian presidency has disclosed that the presidents of Bolivia, Colombia, Panama, and Venezuela today issued a joint statement in which they urged their Ecuadoran and Peruvian colleagues to decree a cease-fire in the area of conflict and to "peacefully settle their differences."

Presidents Gonzalo Sanchez De Lozada (Bolivia), Ernesto Samper Pizano (Colombia), Ernesto Perez Balladares (Panama), and Rafael Caldera (Venezuela) extended the "brotherly request" to Alberto Fujimori (Peru) and Sixto Duran-Ballen (Ecuador).

The heads of state confirmed that on 2 and 3 February they will meet at the Bolivarian Summit in Cumana, Venezuela, to commemorate the bicentenial of the birth of "the grand marshal of Ayacucho, Antonio Jose de Sucre."

"We are fullfilling the sacred duty of extending a brotherly request to the heads of state of those nations (Fujimori and Duran-Ballen) to cease fire and peacefully settle the differences that are currently dividing them," the statement adds.

According to the document, the Bolivarian presidents have observed "the efforts at conciliation initiated by Argentina, Brazil, Chile, and the United States, guarantor countries of the Rio de Janeiro protocol (which establishes the Peruvian-Ecuadoran border)," as well as the efforts of OAS Secretary General Cesar Gaviria "at the behest of the OAS member states."

The Bolivarian presidents called for a "definitive solution" of the territorial dispute "for the good of those people."

"We hope the upcoming Bolivarian presidential summit will contribute to the full restoration of a climate of harmony and understanding and that the foundations of an agreement between the two sister nations will be laid in the spirit of reaffirming the moral values and common goals and interests that unite our peoples in solidarity and peace," the presidents stated.

Hostilities between Ecuador and Peru broke out on Thursday, causing an undisclosed number of casualties. Meanwhile, today marks the 53d anniversary of the signing of the Rio de Janeiro Protocol.

The Bolivarian Summit will be attended by Bolivia, Colombia, Ecuador, Panama, Peru, and Venezuela,

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countries that gained independence from Spanish domination through the liberator Simon Bolivar, whose foremost lieutenant was Antonio de Sucre, born in Cumana.

Brazil, Others 'Prepared To Offer' Mexico $1 Billion in Aid

PY2701224195 Sao Paulo AGENCIA ESTADO in Portuguese 1747 GMT 27 Jan 95

[FBIS Translated Text] Sao Paulo, 27 Jan (AE)—Brazilian Ambassador to Washington Paulo Tarso Flecha de Lima today said that four South American countries are prepared to offer a $1 billion aid package to Mexico. In a news conference held at the Brookings Institution, he announced that Brazil, Argentina, Chile, and Colombia are arranging the details of the package, which will be officially announced soon. The information was carried by the Knight-Ridder agency.

Brazilian Spokesman on Consortium

PY2801013895 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 27 Jan 95

[By Corban Costa at Planalto Palace]

[FBIS Translated Text] Brazil will participate in a consortium of Latin American countries to help Mexico overcome its crisis. Presidential spokesman Ambassador Sergio Amaral has reported that Argentina, Colombia, Chile, and Brazill will probably lend nearly $1 billion to Mexico. Amaral said that conditions for the loan or the amount each country will contribute still have not been defined. He also reported that the president of the Republic, Fernando Henrique Cardoso, has decided to support Brazilian participation in the consortium in view of Brazilian-Mexican economic relations, as well as the good conditions of the Brazilian economy and Brazilian foreign reserves and the good results with regard to its trade balance.

The spokesman also commented on the Real Plan. He said the plan has been yielding excellent results, for example, with regard to the inflation rate, which is at the lowest level in the last 20 years.

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Cuba

Castro on U.S. Attitude Toward Mexico, Miami Summit

FL2701230895 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] Cuban President Fidel Castro has told Mexico's EL SOL newspaper that the United States wants to impose humiliating conditions on Mexico. In the second part of the interview published today, Fidel Castro points out that the United States has important economic interest in Mexico's recovery. Fidel Castro asks: How can they take advantage of Mexico's situation and try to impose humiliating conditions to guarantee the credit Mexico needs now?

Fidel Castro stated that due to Mexico's economic crisis, a group in the U.S. Congress wishes to impose over 10 conditions before financial aid is given, and that one of these conditions dictates that Mexico privatize everything, even its petroleum. Fidel Castro added that this would create a political problem for Mexico and that those conditions would seriously weaken the Mexican Government.

During the interview, Fidel Castro criticized the documents signed at the Miami Summit, calling them colossally demagogic. Fidel Castro advised that behind this was the idea of turning all of Latin America into a preserve, dominated by the United States.

Lage at World Economic Forum: U.S. Congress 'Selfish'

FL2701233795 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] When questioned about the situation in Mexico by reporters covering the World Economic Forum, Carlos Lage, vice president of the Cuban Council of State, said that the U.S. Congress should be a little less selfish. In an AFP report today, the Cuban leader explained that it is not the U.S. Government, but rather certain members of Congress who are attempting to hinge financial aid to Mexico on trade relations with Cuba. Lage said that we have no reason to think that Mexico is going to change its stance on Cuba, adding that we should help Mexico, and that this is the one and only message to a Congress that should be less selfish.

During the interview with reporters, Lage was also asked about differences between Cuba and the United States. Lage responded by stating that everything is negotiable so long as Cuba's sovereignty and independence are respected and all issues are addressed, including the cost of the 36-year blockade. This, he added, has reached upwards of $40 billion. This year Cuba is attending the World Economic Forum in Davos, Switzerland for the first time. It is being attended by over 1,000 distinguished economic specialists.

Addresses Forum

PA3001033395 Havana PRENSA LATINA in Spanish 0031 GMT 28 Jan 95

[FBIS Translated Text] Davos (Switzerland), 27 Jan (PL)—In addressing the World Economic Forum for the first time, Cuba today expressed its willingness to examine, together with the Paris Club and other forums, the prospect of renegotating its foreign debt within the framework of more flexible conditions, and the search for more reasonable solutions.

During his speech this afternoon at the economic conference that began yesterday in this Swiss city, Cuban Vice President Carlos Lage stressed that mechanisms of cooperation with other nations have already been found which has allowed Cuba to honor commitments, increase trade, and investments.

Cuba proposed to the more than 1,000 business representatives, officials, and personalities gathered at the forum the prospect of negotiating with a stable country that now has a more efficient and diversified economy, and that has been able to slow its economic decline and accomplish 0.7 percent growth.

"The overall steps we have been taking to stabilize the country's economy are all part of an integrated concept, and are not isolated measures," Lage stated. He also said that significant changes have been made, such as transferring 58 percent of state-owned land for use by produce growers in cooperatives for their own benefit.

Measures to reorganize public finances, implemented during 1994, had a positive impact and prompted a 72 percent decline in the budget deficit over the previous year.

In an attempt to encourage international bilateral relations even further, Lage indicated, Cuba has excluded no country, not even the United States, which blocks its corporations from doing business with Cuba and restricts other contacts.

In this respect, Lage emphasized that U.S. corporations are being undermined by such an absurd policy and have been forced to give way to their international competitors on the Cuban market. Nevertheless, the Cuban vice president disclosed that "we have been searching for options with some of these U.S. corporations to make freedom to trade and capital transfer more operational."

With respect to foreign investments, Lage announced that external financial support at the end of 1994 surpassed $1.5 billion.

In addition to the 176 associations already operating with capital originating from 36 nations, the vice president remarked that more than 300 projects are currently in the negotiations stage.

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In reference to issues related to what constitute the central focus of the World Economic Forum debate, Lage contends that the architects and beneficiaries of the new world order, the agents of economic globalization, are also responsible for the undersupply and challenges this process may elicit.

According to Lage, "the globalization process taking place is one of poverty and ignorance" and pointed out that while 20 percent of the population controls 83 percent of the world's natural resources, there is another one-fifth that only receives 1.5 percent of the profits.

Support for free trade and an indictment against protectionism is a required element of all current discussions related to the state of the world and our economy, Lage stated. During his speech, the Cuban vice president denounced the U.S. blockade, "which has become more severe."

At any rate, Lage stressed that right now no one with common sense any longer discusses whether the revolution will crumble but instead talks about how long it will take Cuba to overcome its present problems.

Lage indicated to the international business community that "we are not offering our foreign partners a transition to capitalism. Cuba is and will continue to be socialist," he explained.

In this respect, he stressed his country's commitment to working strenuously with confidence and optimism in order to cut the recovery period to a minimum.

The World Economic Forum will continue in session until next week.

Robaina Interviewed on U.S. Sanctions in Tokyo

OW2901110295 Tokyo ASAHI SHIMBUN in Japanese 27 Jan 95 Morning Edition p 8

[Report on interview with Foreign Minister Roberta Robaina by unidentified ASAHI SHIMBUN correspondent at the Cuban Embassy in Tokyo on 26 January]

[FBIS Translated Text] Speaking on U.S. economic sanctions against Cuba, which have been imposed since the 1960's, he explained his recognition that "Although there are no signs indicating that the Clinton administration will lift the economic sanctions, the U.S. society has been deepening its understanding of our stand on opposing the sanctions. We have entered a new phase." He then stressed his intention to continuously make diplomatic efforts in a bid to abolish the sanctions.

Regarding the prospects for normalizing relations with the United States, Robaina said: "First, the two countries need to respect each other." Concerning the Cuba-U.S. working-level consultations on the mass emigration Cuban citizens' into the United States, which has assumed a serious phase since last summer, he praised the consultation results, saying: "Thanks to both countries' positive stance toward this issue, they have made agreements, and have been fulfilling them." He expressed his desire to pave the way for improving relations with the United States by taking advantage of the few opportunities for government-level contacts.

As for the economic restoration policy, such as the liberalization of the possession of dollars, which was implemented after the USSR's collapse, he said, "There has been no change." He added that the recent reshuffle of cabinet members in charge of economic affairs was also "one of the steps to support this policy." With regard to the currency crisis in Mexico, which is an influential investor in Cuba for purposes of implementing its policy of introducing foreign investment, Robaina said: "This incident has adverse effects on Cuba, as it does on Mexico." He explained that Cuba cannot remain indifferent to the crisis in the Capitalism bloc.

Concludes Japanese Visit

FL2701192995 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] Foreign Minister Roberto Robaina's trip to Japan concluded following a busy day of activities, which included a meeting with former premier Toshiki Kaifu, deputy and president of the main opposition party [Nukua Frontera]. In a frank and friendly manner, Kaifu explained Japan's current political situation, its foreign policy, and asked about Cuba's reality.

At the Japanese Foreign Ministry, Robaina met with the director general for Latin American, who inquired about Cuba's current situation, as well as talked about numerous bilateral and multilateral issues of common interest.

Discusses Asian Tour's Purpose

FL2801192295 Havana Radio Rebelde Network in Spanish 1255 GMT 28 Jan 95

[From the "Doing Radio" program]

[FBIS Translated Text] I am speaking to you from the satellite center. I can see the Japanese capital; specifically, I can see on the television screen the front of the Cuban Embassy building in Tokyo. I see Cuban Foreign Minister Roberto Robaina and a correspondent holding a microphone with the word ECO printed on it. ECO is a Spanish-language television channel. Let's listen to Robaina's ECO interview:

[Begin recording] [Correspondent] This is an interview with Cuban Foreign Minister Roberto Robaina, who is on an official visit to Japan. What is the objective of your visit?

[Robaina] This is one stop on a tour during which Cuba and Asian countries can touch base. The tour began in Japan and will continue in Thailand, the Philippines, Nepal, the DPRK, and the PRC. The main objective is to explain our truth, to be able to tell this part of the world about Cuba's reality, about the direction in which

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we are headed, what we propose to do, and, especially, to explain the effects of the very difficult situation that we experiencing in Cuba. We will also explain how we resist and survive and how we have survived all this time.

[Correspondent] Did you discuss any special projects with Japanese Foreign Minister Yohei Kono yesterday?

[Robaina] The visit has served as a channel for breaking down certain barriers and not for discussing special projects. This will allow Cuba and Japan to have better mutual understanding and communications. This is the fundamental aim of my visit to Japan. We have told Japanese politicians, legislators, businessmen, and Foreign Ministry officials of Cuba's reality and have learned of Japan's reality. No specific projects were discussed. We discussed many bilateral issues, the will to maintain these contacts, to strengthen relations, as well as many international issues in which we are involved in the international arena. We saw eye to eye on many issues but did not do so on others. The important thing is not these difference but the common ground on which we can advance. [end recording]

Robaina granted this interview moments before leaving Japan for Pyongyang. I have heard that Robaina has already arrived in the DPRK.

[Havana Radio Rebelde Network in Spanish at 1800 GMT on 28 January, during the regularly scheduled "National Radio News" program, carries recorded portions of the preceding Robaina interview. The "National Radio News" announcer introduces the recording as follows: "Cuban Foreign Minister Roberto Robaina is paying an official, friendly visit to the DPRK today. Kim Yong-nam, vice premier and foreign minister; Cuban Ambassador Jose Ramon Rodriguez Varona; and Cuban and North Korean officials greeted Robaina in Pyongyang. Previously, Robaina had visited Japan. Robaina made the following statements about his trip during a brief stopover in Peking, China, en route to the DPRK."]

Arrives in DPRK via PRC

FL2801203795 Havana Radio Reloj Network in Spanish 1502 GMT 28 Jan 95

[FBIS Translated Text] Roberto Robaina, a Politburo member and foreign minister, arrived in Pyongyang on 28 January on an official and friendly visit to the brother nation of the DPRK. This is one stop on his tour of six Asian nations. Kim Yong-nam, North Korean vice premier and foreign minister; Jose Ramon Rodriguez Varona, Cuban ambassador to the DPRK; and North Korean officials greeted Robaina. Robaina told PRENSA LATINA during a stopover in the Chinese capital that the main purpose of his tour is to discuss the current Cuban situation, including its needs and what it can offer. Robaina said that this trip is significant in that it includes stops in nations with which diplomatic relations had been limited.

Envoy to Peru Urges Solution to Conflict

PA2901031895 Mexico City NOTIMEX in Spanish 2041 GMT 28 Jan 95

[FBIS Translated Text] Lima, 28 Jan (NOTIMEX)—The government of Cuban President Fidel Castro came out today, via its diplomatic representative in this capital, in favor of a peaceful solution to the border conflict between Peru and Ecuador.

Cuban Ambassador to Lima, Pedro Diaz, Garcia said his government hopes the two belligerent nations will make progress down the path of peace, which yields better results than the path of war.

Consulted about the border dispute in which, according to an Ecuadoran military communique, 20 Peruvian and three Ecuadoran soldiers were killed in an armed clash, the diplomat expressed his desire that hostilities will not disrupt regional harmony.

He said he believes the two countries have the political and military willingness to overcome their differences.

"I believe that the interests of peace, as well as the interests of the region, will prevail," the Cuban official said. He went on to recount the thinking of Jose Marti, who believed that liberty, justice, and peace should prevail on the continent and in the world.

The Peruvian and Ecuadoran border remains open along a stretch of 78 km considered a no-man's-land in which there are sizable gold and mineral deposits.

This afternoon, OAS Secretary General Cesar Gaviria met with President Alberto Fujimori and Foreign Minister Efrain Goldenberg to find a solution to the border conflict.

Meanwhile, the Peruvian Armed Forces Joint Command has refused to report on casualties inflicted by the Ecuadoran Army within the past few hours.

Cuban Media Report on Ecuador-Peru Conflict

Worsening of Conflict Predicted

PA2801191395 Havana PRENSA LATINA in Spanish 1114 GMT 28 Jan 95

[FBIS Translated Text] Quito, 28 Jan (PL)—The Ecuadoran Armed Forces' General Staff today predicted a worsening of the military conflict with Peru after watching an increased mobilization of the neighboring country's Army toward the border.

A communique issued by the Defense Ministry early this morning states that, after resisting a fierce exchange of heavy artillery fire, the Peruvian troops continue to concentrate more soldiers and armored tanks in zones that have not been delimited. These zones are controlled by the local army, although both states claim them as their own.

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The communique adds that the situation further worsens the conflict, because the Ecuadoran Armed Forces are determined not to give in a single inch of the points establish by the 1942 Rio de Janeiro Protocol—which established the demarcation of the border line between the two parties.

The note adds that, according to confidential reports, Peruvian President Alberto Fujimori has ordered the mobilization of more than 20,000 men to make the Ecuadoran Army withdraw, which proves the Peruvian president's warmongering attitude.

It also mentions the summons issued to 1993 and 1994 conscripts, to approach the Atahualpa Military Fort and form brigades of resistance for the defense of the homeland.

Ecuador Protecting Oil Installations

PA2901040395 Havana PRENSA LATINA in Spanish 1302 GMT 28 Jan 95

[redacted]ras]

[FBIS Translated Text] Quito, 28 Jan (PL)—The Ecuadoran Government today initiated the military protection of its main oil installations in the Amazon region and areas close to the border with Peru, fearing they might be bombed by the neighboring country.

The National Security Council a few hours ago indicated that instructions have been given for the Army and people's resistance fronts to jointly protect the TransEcuadoran oil pipeline.

The note also states that the Paute Uno Hydroelectric Central, which is the country's main source of electricity, and other strategic economic centers, such as the water turbines near the Condor jungle where the clashes with Peruvian soldiers have occurred, are also protected.

The Ecuadoran Army has ordered a vast military deployment in this capital in the vicinity of the Central Bank, Defense Ministry, Industries and Trade Ministry, Government Palace, and principal financial institutions located in the main city of Ecuador.

Meanwhile, PRENSA LATINA was able to confirm the positive reaction of dozens of youths who have gone to enlist to join battalions of resistance and defense of the fatherland.

The Army General Staff last night called on youths between the ages of 16 to 26 to report to the central military units of their respective provices—a call to which the people have responded.

Relations between Ecuador and Peru turned sour on 9 and 11 January when two Peruvian patrols were surprised at the mouth of the Cenepa River and Cueva de los Tayos, territories disputed by the two countries.

Later, on 22, 23, and 24 January, there were several skirmishes along a 78 km section of the border which is still undelimited under the terms of the Rio de Janeiro Protocol of 1942, which concluded the 1941 war between the two countries.

At that time, thousands of soldiers from Quito and Lima began to gather along the demarcation border, causing the situation to become very explosive, observers have noted.

With this Sunday's 53d anniversary of the signing of the Rio agreements with the United States, Chile, Argentina, and Brazil as guarantors, Ecuador and Peru are immersed in a confrontation which, because of the differences between the two parties, has become very complex and difficult to solve.

33 Peruvians, 5 Ecuadoreans Dead

PA2901184395 Havana PRENSA LATINA in Spanish 1741 GMT 29 Jan 95

[By Rafael Contreras]

[FBIS Translated Text] Quito, 29 Jan (PRELA)—Amid great tension, dozens of Ecuadoreans over 16 are being recruited by the Armed Forces to make up the National Resistance Fronts [Frentes de Resistencia Nacional], which are being urgently dispatched to the border with Peru.

The measure also applies to people who have already fulfilled their compulsory military service and to former soldiers, who are first taken to a training center to receive uniforms and given three or four hours of instruction before they are taken to the front lines.

According to radio reports from the region, vehicle traffic is light, and only 20 percent of businesses are operating in the cities of Morona, Santiago, Loja, and El Oro Provinces, which are close to the conflict zone.

It has been learned that the Army has evacuated women, children, and the elderly from the towns of Macara, Paquicha, Yuambo, and others which are only a few kilometers from the jungle where the skirmishes between Ecuadoran and Peruvian troops are taking place.

The Army Joint Command reported today that there is a constant buildup of Ecuadoran and Peruvian troops in the transitable areas of the border, particularly in the 78 km that were left undelimited in the 1942 Rio de Janeiro Protocol. The Protocol ended the war between the two countries that began in July 1941.

According to the latest military bulletin in Quito, the clashes—which began on 9 and 11 January [dates as received]—have so far resulted in 33 Peruvian and five Ecuadoran soldiers killed and dozens wounded on both sides.

Early this morning the local armed forces charged that Peru is using helicopter gunships bearing the U.S. flag and emblems to bomb the Teniente Ortiz, Soldado Monge, and Etza detachments.

This prompted the Foreign Ministry to send a protest note to the U.S. Embassy in Quito for an explanation,

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because it is presumed that Washington donated these aircraft to Peru to be used in the struggle against drug trafficking.

Official Attends Meeting With Russian Businessmen

PA2801102595 Havana PRENSA LATINA in Spanish 1635 GMT 26 Jan 95

[FBIS Translated Text] Moscow, 26 Jan (PL)—Cuba's willingness to develop economic and commercial ties with all nations seeking a mutual benefit demands respect for its independence, Vice Foreign Minister Isabel Allende said today in Moscow.

In her speech to a meeting of Russian businessmen, scientists, and scholars and their Cuban counterparts, Allende said the economic opening in her country stems from efforts to overcome the difficult internal situation by adapting to the new world situation.

Defending our system with our own resources becomes the main path toward solving a situation similar to the one that existed in the 1960's when the U.S. started the blockade, although then, the official underscored, we had a friendly hand.

Allende pointed to international interest in the policy Havana is promoting to boost foreign investments by implementing different formulas for joint ventures.

She noted over 178 economic partnerships with capital coming from 38 countries exist, while another 200 proposals are under study. She pointed to the growing interest of U.S. businessmen.

Cuba, she added, has signed letters of intent with several U.S. businessmen and companies that are to be implemented when real free trade practice prevails and the absurd policy of economic and financial blockade sponsored by the White House ends.

She told the audience that the participation by the Cuban delegation in the forum shows a commitment to work together since, she affirmed, Russians should not be aloof toward our program.

Talking to PRENSA LATINA, the vice foreign minister said the meeting constitutes one more step in the policy of the two nations of renewing bilateral ties and in the interest of businessmen to find points of contact with their counterparts.

Vladimir Turdenev, director of the Foreign Ministry department [title as received], said that Russian society welcomes the policy of renewing and strengthening ties between Moscow and Havana.

Turdenev said the establishment of the legal foundation for a new phase to continue and expand ties has concluded.

Cuba, Russia, U.S. Trade Potential Discussed

FL2701130095 Havana Radio Reloj Network in Spanish 2032 GMT 26 Jan 95

[FBIS Translated Text] Cuban Vice Foreign Minister Isabel Allende stated that Cuba is willing to develop economic and trade relations with all [word indistinct] interested in mutual benefit, but that it demands respect for its independence. In her comments to Russian and Cuban businessmen, bankers, and economists, Allende stated that the island's economic opening is an effort to overcome the difficult internal situation by adapting to the new world reality. Allende pointed out the international interest caused by Havana's policy to promote foreign investments with the operation of several formulas of joint associations.

At the Moscow meeting, Allende highlighted the existence of more than 178 economic enterprises with capital from 38 countries. She commented that Cuba has signed letters of intent with several U.S. businessmen, to deal with Cuba once the true practice of free trade is allowed through the lifting of the U.S. blockade.

In statements for PRENSA LATINA, the vice foreign minister stated that the holding of this meeting in Moscow is another step towards the renovation of bilateral ties. The Cuban diplomat assured the businessmen there that the presence of the Cuban delegation in the forum demonstrates the desire for working together and emphasized that the Russians should not be unfamiliar to any of its nation's projects.

On the other hand, (Vladimir Tudenayev), director of the department of the Russian Foreign Ministry [title as heard], stated that the strengthening of the Havana-Moscow ties is pleasing.

Russian Culture Minister Arrives on Visit

PA3001124095 Havana PRENSA LATINA in Spanish 2217 GMT 27 Jan 95

[FBIS Translated Text] Havana, 27 Jan (PL)—Russian Culture Minister Yevgeniy Sidorov arrived today in Havana, accompanied by poet Yevgeniy Yevtushenko. He intends to establish new cultural links and reestablish old ones.

Shortly after his arrival in Havana, Sidorov told PRENSA LATINA that Cuba, with its rich cultural heritage, plays a fundamental role in Latin America's spiritual development and that we consider it an essential interlocutor for any country in the world.

Here at the invitation of Cuban Culture Minister Armando Hart, the Russian minister said that during his brief stay in Cuba he will discuss in depth topics to do with the arts, including ballet, theater, and translations of literature.

Sidorov noted that Russia has maintained excellent relations with Cuban intellectuals, some unfortunately

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deceased, such as Alejo Carpentier and more recently Eliseo Diego, adding that he believes that culture stands above any political or ideological position.

He also added that old friends cannot be forgotten.

The author of several books on contemporary linguistics, Sidorov worked previously as a journalist and professor. He was also rector of Moscow's Maxim Gorky Literature Institute.

During his third visit to Cuba, which will end on Tuesday, the Russian minister will sign a protocol on his talks with Hart and will visit the Cuban National Ballet, where he will meet its director, prima ballerina assoluta Alicia Alonso.

He will also visit the National Restoration and Museum Center and will travel to the eastern Santiago de Cuba Province.

Spanish Embassy To Assist Costa Rican Interests Office

PA3001124295 Havana PRENSA LATINA in Spanish 2212 GMT 27 Jan 95

[FBIS Translated Text] Havana, 27 Jan (PL)—A Foreign Ministry source confirmed today that the interests office that Costa Rica will open in Cuba will be attached to the Spanish Embassy in Havana.

Mercedes Aguiar, director of the Central American Department of the Cuban Foreign Relations Ministry, told PRENSA LATINA that the Costa Rican Government's decision is based on an agreement on mutual diplomatic support signed between Madrid and San Jose in April 1991.

Aguiar added that Luis Guardia, the Costa Rican ambassador to Guatemala, who arrived in Havana on Friday to take charge of the arrangements, is meeting with Cuban authorities to work out the details of opening the Costa Rican mission.

"Negotiations are going well between the ambassador and representatives of the Cuban Foreign Relations Ministry, the Directorate of Immigration and Aliens, and other organizations involved in establishing the interests office," she said.

Counselor Estela Blanco, who will act as second in charge of the interests office, is accompanying Guardia on this diplomatic mission.

The Costa Rican delegation will be in Cuba until Thursday. Before leaving, it expects to resolve all technical issues dealing with opening the interests office in the next few months.

Foreign Ministry Rules Out Changes in Ties With Mexico

PA2701212995 Mexico City NOTIMEX in Spanish 1944 GMT 26 Jan 95

[FBIS Translated Text] Havana, 26 Jan (NOTIMEX)—The Cuban Foreign Ministry today denied any change in Mexico's policy regarding Cuba and said the recent meeting between the foreign ministers of both countries had been "productive and positive."

Cuban Foreign Ministry spokesman Miguel Alfonso stated: "Nothing leads me to think of a change in our bilateral relations, and the meeting between Foreign Ministers Roberto Robaina and Jose Angel Gurria proves this."

The spokesman described the meeting between Gurria and Robaina in Mexico City on Monday [23 January] as being positive and productive. The meeting took place when the Cuban foreign minister made a stopover here on his way to Japan, where he started a tour to several Asian countries.

Alfonso was asked about the possible impact of conservative pressure on the government of Mexican President Ernesto Zedillo with regard to the U.S. financial aid package of up to $40 billion for Mexico.

Mexico is one of Cuba's main partners after the island lost preferential trade support and aid from the former Soviet Union and East European governments.

Mexican firms have invested approximately $1 billion in the tourism, cement, textiles, telephone, and oil refinery sectors in Cuba during the past three years.

Margarita Solana, the commercial attache at the Cuban Embassy in Mexico, said yesterday afternoon that the Cuban Government is confident that Mexican investments in telecommunications, food, and basic industry will be sustained despite the economic crisis.

The official said resources for those sectors "are issues that had already been agreed on upon; therefore there is no reason for the investment flow to be affected" by the Mexican financial crisis.

Lawyers Congress Demands Return of Guantanamo

FL2701134595 Havana Radio Rebelde Network in Spanish 1000 GMT 27 Jan 95

[From the "Doing Radio" program]

[FBIS Translated Text] Commander in Chief Fidel Castro sent a message saluting the delegates participating in the fourth Cuban Lawyers Congress, which concluded last night at the Convention Center in Havana City. During his closing address at the congress, Jose Ramon Machado Ventura, Politburo member, conveyed Fidel Castro's message highlighting the decisive role played by Cuban lawyers. Machado pointed out that a better understanding of the law and more attention to the four law faculties which exist in Cuba are the basic tasks needed to improve the cadre's political role. The more than 100 participants signed a document in which they demand the return of the territory occupied by the Guantanamo Naval Base. The document denounces the military facility's use in holding people who have tried to emigrate from Cuba and Haiti, which represents an open

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violation to the status and the illegal accords on which the United States has based its occupation of the area.

Bahamas

Response to Repatriation of Haitians 'Disappointing'

FL2801135195 Nassau Bahamas Radio Network in English 1300 GMT 28 Jan 95

[FBIS Transcribed Text] It was not the response that immigration officials had hoped for: After weeks of long lines at their offices, only 12 Haitians who volunteered actually returned home yesterday. They joined over 100 Haitians previously held at Her Majesty's prison and the detention center and over 400 awaiting repatriation in Inagua. Earlier in the week, immigration officials were expecting a last-minute rush of Haitians registering for the return home, but that did not happen. Yesterday, while seeing off the first group under the new accord with Haiti, Minister of Immigration the Honorable C.A. Smith revealed his ministry's next step in the effort to improve repatriation efforts:

[Begin Smith recording] This is very disappointing to us. We are very unhappy about that. However, we are going to make a great effort by working with the Haitian churches, the Haitian leaders, the Catholic Church to ensure that our message is being received by the Haitian community. [end recording]

But, Minister Smith is planning to go even further than that: Today, he and Director of Immigration Dr. (Daswell Copley) are scheduled to make an appearance on a Creole radio station in Florida. Their aim is to exhaust all possible efforts to convince Haitians in the Bahamian community to voluntarily return home before search-and-find missions become necessary. On 10 February, they'll know whether their efforts are paying off: That's when the next repatriation drive is scheduled to take place.

First Group Numbers 200

FL3001031595 Bridgetown CANA in English 1847 GMT 28 Jan 95

[FBIS Transcribed Text] Nassau, Bahamas, Jan 28, CANA—More then 200 Haitians made up the first group of illegal immigrants to be repatriated Friday under a new Bahamas-Haiti accord signed January 13. Another 442 immigrants were to be picked up at Inagua in the southern Bahamas for the voyage to Haiti. The 232 immigrants waved a jubilant farewell as the government-owned "Eastore" pulled away from Potter's Cay.

"I go back Haiti. I never come back to Bahamas," one woman shouted from an upper deck of the "Eastore" shortly before the boat left. "Nassau bad place. Better (government) ministers in Haiti," shouted another woman wearing a blue cap and brown dress. Some of the women danced, sang and clapped on the stern of the boat in the early morning chill. Others huddled in blankets.

The "Eastore" sailed to Inagua to meet the Defence Force vessel "Fort Montagu" and pick up another 442 Haitians who landed there on Monday. The two vessels, escorted by HMBS "San Salvador", will take the immigrants to Port au Prince, Haiti. Immigration officials were disappointed at the number of Haitians who voluntarily left Friday. Up to Thursday, only 15 of the 3,000 immigrants who registered for voluntary repatriation had indicated they would leave Friday. Only 12 showed up.

"This is very disappointing to us," Public Safety Minister C.A. Smith said. "We are very unhappy about that. However, we are going to make a great effort by working with the Haitian churches, the Haitian leaders, (and) the Catholic Church to ensure that our message is being received by the Haitian community," he said.

Cayman Islands

Police Quell Cuban Refugee Disturbances

FL2801181195 Bridgetown CANA in English 1651 GMT 28 Jan 95

[FBIS Transcribed Text] George Town, Grand Cayman, Jan. 28, CANA—About 100 Cuban inmates of government's Tent City refugee camp this week threw rocks at immigration officers and security guards and tore down an interior camp gate after a 16-year old refugee became involved in an altercation with security guards. The Cubans, mostly young men, broke the windows of several parked cars and put dents in a number of other vehicles. There were no reported injuries in the incident, but police officers were called to the scene to quell the disturbance. Deputy Chief Immigration Officer O.C. Connor said the incident was the result of a misunderstanding. "The boy was trying to get out of the camp without authorization" and was going out the wrong gate, said Connor. The youth and his family were to board a bus taking 85 Cubans to the airport for a transfer flight to the U.S.-run detention camp at Guantanamo Bay, Cuba, Connor reported. An immigration officer tried to stop the boy and show him where the bus was waiting, but he swung at the officer instead, said Connor. A security guard went to assist the immigration officer and a fight started.

Haiti

U.S. Troops Arrest Soldiers at Navy Headquarters

FL2701222295 Port-au-Prince Tropic FM in Creole 1300 GMT 27 Jan 95

[FBIS Translated Text] U.S. soldiers landed at Haitian Navy headquarters on the morning of 27 January and arrested several Haitian soldiers in response to Haitian Navy personnel having apparently robbed the weapons

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depot, from which numerous weapons have disappeared. Let us listen to the report of Jean-Frantz Rosenberg, a spokesman for the Haitian Navy.

[Begin recording] [Rosenberg] U.S. Marines landed at Haitian Navy headquarters on the morning of 27 January, deployed enough force to enter the general headquarters of the Haitian Navy, and according to one witness, subsequently blocked the street with barbed wire and heavy vehicles, preventing pedestrians and vehicles from gaining access to the Carrefour Road. Upon the arrival of the U.S. troops, according to reports, some members of the Haitian Navy did not want to let them enter Haitian Navy headquarters. Tha is why the U.S. Marines issued an ultimatum, giving them three minutes to open the gate. Meanwhile, helicopters hovered in the air and the U.S. military had already invaded the entire area. A sergeant on duty at the Haitian Navy provides further information on the incident:

[Unidentified sergeant] I was on duty this morning. The men arrived and [words indistinct] entered. I do not know why they are here; I do not know.

[Rosenberg] At what time did that happen?

[Sergeant] One moment ago [as heard]. At about 0700.

[Rosenberg] [Question indistinct]

[Sergeant] [Words indistinct] how can I know that? You know the Americans enter somewhere, as they do not know the field. It is normal that [words indistinct]. They do not know the field.

[Rosenberg] [Question indistinct]

[Sergeant] Well, I do not know, there is... [pauses] I do not know. A report has been made by my seniors in rank. I do not know. I, who was on duty, am a sergeant, I am subordinate. So I do not know how things happen. Nothing happened last night.

[Rosenberg] We are reminding you that what happened here is nothing new. Since the U.S. military landed here, they had already been to the Haitian Navy, but it seems they did not come with such big (?weapons). We are also recalling that a Haitian Navy weapons depot was robbed last week. The persons who committed this action have not yet been caught. This morning, the entire Carrefour Road was blocked for over one hour. [end recording]

Further on Incident

FL2801154495 Bridgetown CANA in English 2308 GMT 27 Jan 95

[From the "Broadcast News Summary"; no dateline as received]

[FBIS Transcribed Text] U.S. troops siezed at least 20 guns from a Haitian military base on Friday in the first disarmament exercise of its kind for several weeks. Army spokeswoman Staff Sergeant Amee Seabolt said more than 100 soldiers from the 25th Infantry Division found automatic weapons, pistols, rifles and ammunition in the search. She said most of the arms were non-operational. Thousands of arms are still thought to be circulating in Haiti and common crime has increased dramatically in the past few weeks. The Americans, who are scheduled to hand over military operations to the United Nations at the end of March, have confiscated nearly 11 thousand weapons since September and purchased just over three thousand as part of a buy-back programme.

Deputies Approve 6 of 158 Electoral Bill Articles

FL2801002195 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Jan 95

[Report by Daly Valet on session held at the Parliament on 26 January—recorded in Creole]

[FBIS Translated Excerpt] The National Assembly scheduled for 26 January did not occur. We do not know why. In any case, the parliamentarians worked late into the night on the national budget bill, which is soon to expire. For the moment, the lower chamber seems to be focused on the elections. Let us listen to a report by Daly Valet.

[Valet] We would like to let you know that the National Assembly meeting scheduled for 26 January did not take place. We do not know why. All we know is that the deputies worked very late last night, until around 2200, approving most of the budget articles. According to Mac-Ferl Morquette, vice president of the Chamber of Deputies, there are four articles in the budget that remain to be voted on. It seems they are having problems with those articles, and before voting on them on 27 January, they requested government authorities to come to explain and answer questions by the Finance Commission working on the budget. So on the whole, the budget work is almost finished. The text is almost completely voted on.

Today, the Chamber of Deputies is working on the electoral bill. It is as if the electoral campaign has already begun in the Chamber of Deputies because this 158-article electoral bill has already given rise to many passionate discussions within the Chamber of Deputies and to numerous points of view during the voting for the articles. For the moment, nearly six articles have already been approved. But the article that gives rise to most of the discussions is Article 5, which was amended by the deputies based on their interpretations. They say Departmental Electoral Office [BED] and Communal Electoral Office [BEC] members will be appointed by the Provisional Electoral Council [CEP], but from a list of department personality profiles to be submitted to the CEP by the political parties and groupings represented in the Parliament. [passage omitted]

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Work on Electoral Bill Continues

FL2701205795 Port-au-Prince Signal FM Radio in Creole 1915 GMT 27 Jan 95

[FBIS Translated Excerpt] The Chamber of Deputies focused on the electoral bill today, regarding organization of the upcoming elections, following completion of their work on the national budget bill. They had planned to hold a National Assembly session on 26 January, which had been postponed as the result of difficulties, but they worked very late into the night of 26 January to finish up all bills related to the 1994-1995 national budget. This budget had been held up in the Chamber for a long time, but has now finally been approved. The parliamentarians now continue work on the electoral bill. [passage omitted].

Court Appoints Manigat To Replace Cherilus in CEP

FL2701214095 Port-au-Prince Signal FM Radio in Creole 1915 GMT 27 Jan 95

[FBIS Translated Excerpt] The Court of Cassation delegate to the Provisional Electoral Council [CEP] has never shown up despite the work that has been done in preparation for the electoral bill. For this reason, the Court of Cassation today designated Mrs. Jessy Manigat as its third representative to the CEP, according to a source close to the Court. Manigat has been chosen to replace Attorney Andre Cherilus [formerly appointed president of the Court of Cassation by President Jean-Bertrand Aristide without the consent of the Senate in 1991 and dismissed following the 30 September 1991 coup d'etat].

Attorney Cherilus never said exactly why he chose not to appear at the CEP, which has been working since its formation with eight members, nor has any information been provided on the reasons Manigat was chosen. One Court of Cassation member, however, commented to Signal FM that Mrs. Manigat is competent and qualified to replace Attorney Cherilus within the CEP.

New Justice Minister Takes Office

FL2801005395 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Jan 95

[FBIS Translated Text] The new justice minister, Attorney Jean-Joseph Exume, took office on 26 January. During his installation, Attorney Exume stated that he wants to use the Constitution and Haitian law as a compass. The minister of justice has promised justice to whom justice is due.

[Begin Exume recording, in progress] ...of the country will be our compass and all that we do will be done for the triumph of law and justice so the entire Haitian people can at least begin to quench their thirst for justice. Thank you. [end recording]

We learned from official sources in Port-au-Prince on 26 January that in consultation with President Jean-Bertrand Aristide, Haitian Prime Minister Smarck Michel has appointed Attorney Jean-Joseph Exume to the post of justice minister. Attorney Exume, professor of letters and a lawyer of the Port-au-Prince Bar, is considered a close friend to the head of state. A second justice secretary, Attorney Carole Denerville, a lawyer, has also been designated. The other state secretary of justice, Leon Jeune, has maintained his portfolio.

The former justice minister, Attorney Ernst Malbranche, also former president of the Bar and a former state atorney, announced his resignation on 25 January: I have voluntarily left the post to give my place to someone who will be flexible and more willing to juggle the fundamental principles of the Constitution and the law, he stated.

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Government Urges Peru, Ecuador To Suspend Hostilities

PA2801054295 Mexico City NOTIMEX in Spanish 0424 GMT 28 Jan 95

[FBIS Translated Text] Mexico City, 27 Jan (NOTIMEX)—Today the Mexican Government appealed for the suspension of hostilities and the search for a solution to the problem created by the resurgence of armed conflicts along the Peruvian-Ecuadoran border.

A Foreign Ministry communique said: "Mexico expresses deep concern over the breach in the peace between these two fraternal nations." Meanwhile, it appealed for "a prompt suspension of hostilities in order that a solution—one that adheres strictly to international law and the principle of seeking a peaceful resolution to conflicts—can be found to the dispute that has disrupted the atmosphere of understanding and cooperation between the two countries."

Envoy to U.S. Unaware of More Conditions for Aid

PA2901165095 Mexico City UNOMASUNO in Spanish 27 Jan 95 p 10

[Report by Joaquin Alvarez]

[FBIS Translated Text] Jesus Silva Herzog, Mexican ambassador to the United States, has said he is not aware of the existence of a "letter of intent" that would force the Mexican Government to assume commitments regarding the fight against drug trafficking and illegal immigration in exchange for a $40-billion financial aid package from the United States.

The diplomat expressed confidence that the line of assistance will be approved and explained that bilateral relations between the nations have not changed as a result of the discussions held in the U.S. Congress over conditions to be imposed in exchange for these resources.

"There must be a clear awareness of the circumstances and that the basic things (between Mexico and the United States) have not changed," he stressed.

Silva Herzog said Mexicans must be "very prudent and calm" regarding the questions being debated in the U.S. Congress.

The ambassador to the northern country was interviewed last night after he met with Government Secretary Esteban Moctezuma Barragan.

Answering a question, he argued that Mexicans "must focus on the fundamentals" that lawmakers are debating in the neighboring country, because at times some people need to attend to "other interests."

Consequently, he insisted that we remain "very attentive, prudent, and calm and that we understand the basic and fundamental issues."

Before entering his vehicle, Silva Herzog was questioned about the letter of intent announced by U.S. Secretary of State Warren Christopher during his appearance before the House of Representatives Banking Committee last Wednesday.

"What letter?", the envoy asked surprised, adding: "I have here the letter of intent with the IMF," he said, looking at the documents in the back seat of his automobile.

Private Sector Leaders Reject Conditions on U.S. Credit

PA3001024595 Mexico City LA JORNADA in Spanish 27 Jan 94 95 p5

[FBIS Translated Text] Leaders of the private sector and spokesmen have commented that the multimillion financial aid package to help the Ernesto Zedillo government overcome the liquidity crisis should not be conditioned by "letters of intent" that will allow the U.S. Congress to exert influence on migration, political, and anti-narcotics issues.

Luis German Carcoba, president of the Business Coordinating Council [CCE], said that this group "has information from a direct source" on what has transpired during the negotiations process for credit support that the U.S. Congress has been discussing.

"It is a complicated and involved process. But it is progressing, and there is confidence that it is going to be approved in about 10 days," Carcoba said. Nevertheless, he added, despite the optimism that the $40 billion credit will be obtained, studies are under way with the corresponding authorities to plan alternate solutions in the event that the financing is not approved.

The CCE president said that there is much uncertainty among members of the private sector "because we are negotiating this entire U.S. guarantee process. This is why I warned people to be cautious in their investments—not to suspend them, only to remain alert to developments so that these may serve as better signposts when making decisions."

Information emanating from Washington on Wednesday indicates that the U.S. Congress is conditioning the financial rescue package to the Mexican Government's signing a "letter of intent" detailing the actions it will put into practice to enforce its laws, fight drug trafficking, and control migration "in order to satisfy the concerns of U.S. legislators."

Regarding the alleged "letter of intent," the existence of which the Foreign Ministry has denied, Salvador Almeida, leader of the Mexican Institute of Financial Executives, said that the country should let it be known that is not willing to accept additional economic conditions [condiciones extraeconomicas] in order to receive the credit.

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The Mexican Government has to negotiate with Washington under the precept that they are trade partners and try to convince its counterpart that these resources guarantee the stability of both economies. The U.S. congressmen, Almeira said, cannot ask for conditions that Mexico is unwilling to accept. This would delay a solution to the liquidity problems facing the country.

Alternatives to U.S. Guarantees Reviewed

PA2801003695 Mexico City UNOMASUNO (ECONOMIA Supplement) in Spanish 24 Jan 95 p 2

[Report by Jorge Octavio Ochoa]

[FBIS Translated Text] The Mexican Government is reviewing contingency measures that would be implemented should a $40 billion loan guarantee program offered by the U.S. Administration fail to materialize.

We are making contacts with international investment banks to partially replace Tesobonos [treasury bonds] with Mexican banknotes, Finance Secretary Guillermo Ortiz Martinez said yesterday at the Chamber of Deputies.

The official thinks it is "improbable" that all Tesobonos—about $26 billion—will be exchanged, but it is possible that "a modest number of banknotes" with terms ranging from one to three years will be issued to replace some Tesobonos.

"We would have to ensure the refinancing of these tesobonos, and this would imply paying, as we have been doing in recent bids, high interest rates for tesobonos to promote their refinancing," Ortiz pointed out. The extension of credit lines has been sought with commercial banks, but the official noted that insufficient funds will be obtained through this means to truly resolve the problem at hand once and for all.

So far, he added, we have obtained $3 billion from a consortium of private banks, but he categorically warned that Mexico will not again depend on external resources to finance national development. The advantage of having the line of credit offered by the United States is that we would have a substantial amount to replace those tesobonos, "and this would help ease pressure on the markets in the very short term and stabilize the exchange rate. [no closing quotation marks as published] There are however, he added, alternate measures.

From December up until the present, the government of the republic has had to cover maturing Tesobonos worth more than $3 billion pesos, the secretary of state reported.

He pointed out that Mexico's current net foreign debt is $77.785 billion and the Mexican economy is now better prepared to overcome the new financial crisis than it was in the 1980's. In 1988, Ortiz explained, the country had to spend 17 percent of its GNP to service (pay interest on) its foreign debt. In 1995, prior to the devaluation, Mexico had planned to spend 2.2 percent of GNP to service this debt. As a result of the debacle, however, Mexico will actually spend 2.8 percent of GNP for that purpose, he added.

Ortiz noted that we are currently paying one-fifth of what we used to pay six years ago.

The finance secretary yesterday faced a wave of criticism not only from political parties, but also from social organizations that tried to reach the doors of the Legislative Palace in San Lazaro.

In fact, the Chamber of Deputies was surrounded for nearly four hours by guards from the General Secretariat for Safety and Roadways who blocked access to the palace within a radius of several blocks. Only a small group of nearly 60 members of the Stunam [Trade Union of the National Autonomous University of Mexico] were able to reach the building.

In his speech, which was booed and hissed by followers of the Party of the Democratic Revolution and Stunam workers, Ortiz Martinez admitted that there had been an "excessive" issuance of Tesobonos, but he assured that the crisis was not caused by an absence of political ethics or prompted by electoral interests.

It is evident, he said, that we should have adopted measures in 1994, but there were signs suggesting that the Mexican economy was still competitive.

Nevertheless, he added, the Tesobonos have not been entirely negative, because they "have been useful instruments" of the country's financial system.

Foreign Banks Operating in Mexico

As for the financial reforms that Congress will discuss this week, the secretary said greater participation by foreign banks operating in Mexico will be "useful," because it will increase the possibilities of granting loans to people. This fact, however, does not mean that Mexican banks will be turned over to foreign investors.

Meanwhile, the PRI [Institutional Revolutionary Party] bloc led by Francisco Suarez Davila stressed that safeguards will be implemented to protect the security of the Mexican financial system and preserve its national character. This means, he added, not only using explicit language to guarantee that the system of payments remains in Mexican hands, but also that we (the PRI) will propose a ceiling on the maximum percentage of a bank's shares that foreigners may purchase and an overall ceiling on participation by foreign banks in our system.

Suarez explained that guarantees on indebtedness also will be established to prevent a repetition of one of the primary causes of the current problems. This is why exchanges and refinancings are being authorized, but there will be a ceiling on the amount of new tesobono issues and on overall domestic indebtedness.

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The official experienced a great deal of stress as the group of university workers forced its way into the precinct through one of the back doors while carrying, with the help of PRD [Party of the Democratic Revolution] supporters, several signs denouncing former President Carlos Salinas, as well as the request for loans from the United States. Some of the signs placed next to the stand, with the knowledge and tacit concern of the president of the main table [as published], Alejandro Diaz y Perez Duarte of the PAN [National Action Party], read: "Enough of Secret Negotiations Behind People's Back," "Trust in Foreign Investors Means More Poverty," and "No to the Neoliberal Project That Has Impoverished the Country."

The secretary's anxiety increased when Salvador Othon Avila Zuniga, who is also a PAN member, accused the Salinas government of being extremely negligent and lacking political ethics. Avila asked the current administration whether it would be willing to identify those who are responsible for the current crisis. As a response, still nervous and sweating, Ortiz adamantly pointed out that no one was ever betrayed, deceived, or lied to, and that there never was an "international plot." The information always remained within the reach of everyone, including the financial experts working for international brokerage houses, he maintained. There were no electoral motives. We have nothing to hide, he said amid a sea of voices that booed him from the stands. They shouted at him: "Demagogue!" They also laughed at the campaign promises: "Welfare for your family? Ha, ha, ha, ha. Do you know how to achieve it? Ha, ha, ha, ha."

Luis Sanchez Aguilar, former PRD member, former social democrat, deputy, and leader of a one-man bloc, also turned his aggression toward the government and, without getting a response from the PRI members, retorted: "Eunuchs also know how to do it, but they cannot."

In view of the statements, PT [Labor Party] member Alejandro Moreno Berry noted the secretary recognized that, among other things, not all economic policy decisions were the best decisions, but that the country's foundations are stronger now. These foundations were created, he assessed, by properly using the proceeds from the privatization of parastate institutions.

Senate Elects Members of Supreme Court of Justice

PA2801041095 Mexico City NOTIMEX in Spanish 0525 GMT 27 Jan 95

[FBIS Translated Text] Mexico City, 26 Jan (NOTIMEX)—For the first time ever, a quorum of the Mexican Senate today elected 11 new members of the Supreme Court of Justice. The vote came in the wake of President Zedillo's announcement at his inauguration that he planned to reform the judicial system.

In early December, President Zedillo sent Congress an initiative to reform the Constitution to achieve "a judicial branch with a renewed strength." On Monday, the legislative branch approved the initiative.

At least five of the new magistrates coincide with the nominees proposed by the conservative National Action Party bloc, and all of them coincide with the nominees proposed by the ruling Institutional Revolutionary Party. In the session, the opposition Party of the Democratic Revolution voted against the nominees, arguing that "there was pressure" [induccion ogligatoria] from the PRI to force the outcome of the voting.

The 11 newly elected justices include Juventino Castro Castro and Jose Vicente Aguinaco Aleman for the term ending 30 November 2003, and Juan Diaz Romero and Humberto Roman Palacios for the term ending 30 November 2006. Mariano Palacios Gitron and Jorge Genaro David Gongora Pimentel were appointed for the term ending 30 November 2009, while Guillermo I. Ortiz Mayagoitia and Sergio Salvador Aguirre Anguiano will conclude their mandates on 30 November 2012. Jose de Jesus Gudino Pelayo, Juan Nepomuceno Silva Meza and Olga Maria del Carmen Sanchez Cordero were assigned for the term ending 30 November 2015.

Spanish Bank Still Interested in Investing

PA2701114395 Mexico City NOTIMEX in Spanish 1848 GMT 25 Jan 95

[FBIS Translated Text] Mexico City, 25 Jan (NOTIMEX)—Today, Emilio Botin, Banco Santander Board director, has told Mexican President Ernesto Zedillo his institution is still interested in investing in Mexico.

Botin told the president that in the first of his three days of activities in the country, he had closed a transaction for $40 million with an industrial firm in the northern city of Monterrey.

He added he was confident that there is enough awareness of the problems and that the necessary measures are being taken to surmount them although Mexico's economic situation is complicated.

Banco Santander "is well positioned in Mexico to take advantage of business opportunities that may arise, thanks to when it came into the country, and because it was not affected by the recent developments," he said.

Botin added he had proposed to Finance Secretary Guillermo Ortiz alternatives for direct support programs amounting to approximately $500 million.

Tabasco Governor Proposes Referendum

PA2801050395 Mexico City UNOMASUNO in Spanish 24 Jan 94 pp 1, 10

[Report by Miguel Gomez C.]

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[FBIS Translated Text] Villahermosa, Tabasco, 23 Jan—Governor Roberto Madrazo Pintado today committed himself to submit to a referendum to enable the people of Tabasco to decide whether new elections should take place. He said he will remain in office as long as he can count on the people's support, adding that he will not negotiate votes, "because the advancement of democracy does not come about through concessions."

On the other hand, Andres Manuel Lopez Obrador, former Party of the Democratic Revolution [PRD] gubernatorial candidate, said he is willing to accept the referendum proposed by Governor Madrazo. Nevertheless, he reiterated that Madrazo must first resign from office to prevent him "from influencing public opinion."

In a communique, Madrazo Pintado declared that the people cannot accept the continuation of political instability, and because of this, there is a need to resolve, once and for all, every post-electoral conflict through political reform.

He added, "We must reach a regional political agreement that will encourage unity among Tabasco residents and engender stability in the struggle against unfortunate adversities—an agreement that favors social justice."

He pointed out that with the goal of advancing the establishment of a statewide political agreement, the parties in Tabasco should set up a dialogue in the municipality of Teapa where new elections have been proposed.

The governor noted: "There is no place in Tabasco for negotiations held exclusively among party leaders and behind the people's backs. The costly concession-making mechanism to which some people are resorting to merely satisfy personal interests must not become a part of the state's future."

Meanwhile, Lopez Obrador reiterated the need for Madrazo Pintado to leave office before the referendum to prevent him from influencing the outcome of the vote.

According to Lopez Obrador, talks in Teapa are currently at "a standstill" and the PRD is awaiting a reply from the PRI [Institutional Revolutionary Party] commission concerning a recommendation to ask Tabasco residents whether or not they would support new elections.

The former PRD candidate also announced that the fifth phase of the "civil resistance" movement would be starting within the next few days, but he refrained from giving details.

At the same time, Luis Felipe Aguilar Villanueva, the Government Secretariat's political development under secretary, stressed that the talks for a political agreement in Tabasco are simply on hold while technical discussions are being conducted among the commissions of the various parties involved.

Meanwhile, the PRI National Executive Committee (CEN) stated in a communique that the talks in Teapa are of major significance for the region's political life. The CEN also reaffirmed its willingness to fully observe all commitments adopted at Teapa to ensure an end to the political confrontations within a framework of respect for the law and sovereignty.

In other news, Tabasco residents and business representatives have decided to form the Tabasco Civic Front—a "totally nonpartisan alliance" that will actively participate in statewide politics. Businessman Manuel Ordonez Galan said the "Tabasco Declaration" clearly established the commitments adopted by civilian society with respect to encouraging all states of the federation to ensure compliance with the federal pact and to strengthen the institutions of the republic.

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Honduras

President Escapes Unhurt From Grenade Explosion

PA2801191795 Panama City ACAN in Spanish 1843 GMT 28 Jan 95

[FBIS Translated Text] Tegucigalpa, 28 Jan (ACAN-EFE)—Honduran President Carlos Roberto Reina escaped unhurt today from the explosion of a fragmentation grenade, which occurred approximately 50 meters from where he presided over a public ceremony in San Pedro Sula, 243 km north of Tegucigalpa, and in which two persons were injured.

The device exploded at 1030 hours (1630 GMT) near an automobile parked close to the area, when the president laid the cornerstone for the construction of a hotel complex in the city.

Culture Minister Rodolfo Pastro Fasquelle reported that he was accompanying Reina with Finance Minister Juan Ferrera, Economy Minister Delmer Urbizo Panting, as well as a group of businessmen from the northern party of the country and the Republic of El Salvador. The explosion destroyed at least two automobiles and injured the culture minister's driver, Fasquelle, and an unidentified person.

Colonel Roberto Lazarus, commander of the Honduran Police, said he does not rule out the possibility of an attack on President Reina but it could have also been an isolated incident.

If the attack on the president is confirmed, it would be the first in the history of this Central American country, which lived its worst political unrest in the 1980s, within the framework of the "cold war."

Business and political groups have already condemned any action that destabilizes the government of President Reina, who was sworn in on 27 January 1994.

Reina inaugurated a hotel-tourism complex which is owned by Salvadoran investors and which represents an investment of at least $25 million in the northern part of the country.

Government Denies Attack

PA2901041495 Paris AFP in Spanish 0038 GMT 29 Jan 95

[FBIS Translated Text] Tegucigalpa, 28 Jan (AFP)—The Honduran Government has officially denied that President Carlos Roberto Reina was the target of an attack today when a grenade "accidentally" exploded as the president was participating in a ceremony in San Pedro Sula in the northern part of the country.

Juan Ramon Duran, press secretary of the Presidency, told journalists that the explosion, which took place at 1030, occurred when a soldier dropped a grenade some 60 meters from where Reina was placing the cornerstone of a hotel complex financed by Salvadoran investors.

Duran admitted that during the first moments of confusion, the incident was "magnified," but later "security forces learned that one of the guards had dropped his grenade."

Immediately after the explosion, which seriously injured Culture Minister Rodolfo Pastor's driver and another unidentified person, the president was taken uninjured to the Copantl Sula Hotel, which is near where the ceremony was taking place.

Duran reiterated, "the government denies that the incident was an attack," and he told journalists the government no longer wants to discuss the issue.

Presidency: Explosion 'Isolated'

PA2901054595 Hamburg DPA in Spanish 0425 GMT 29 Jan 95

[FBIS Translated Text] Tegucigalpa, 28 Jan (DPA)—The Presidential Palace, in a communique released tonight, described the attack on Honduran President Carlos Roberto Reina as an "isolated attack," but added that the president was never in danger.

A grenade exploded this morning at 1130 (1730 GMT) close to the president's entourage, which was gathered at a parking lot, according to official reports. The incident took place in the northern city of San Pedro Sula, some 250 km from Tegucigalpa. Up until now, the whereabouts of the person responsible for the incident is unknown.

The communique said President Reina was never in danger and that the grenade exploded some 100 meters from where he was speaking to journalists. The device exploded at a parking lot, while Reina, Vice Presidennt Walter Lopez Reyes, and other ministers were participating in the inauguration of a construction site of what will become a luxury hotel.

According to the official report, only two people were injured, but medical reports say they were not seriously hurt.

The communique also said the attack will continue to be investigated and that it was an act of "isolated sabotage" intended to promote political disorder.

The communique noted that a climate of tranquillity continues in Honduras and that the grenade attack will not bring about a crisis as intended. This is the first time a grenade has exploded so close to a Honduran president in some 40 years. [sentence as received]

A local television newscast reported tonight that President Reina returned to Tegucigalpa, and it broadcast a video of Reina leaving the vehicle to enter his private residence. Reina, who was slated to remain in San Pedro

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Sula until tomorrow, Sunday, has not made any statement since the grenade explosion took place, partly because security has been tightened and he is not being permitted to come into contact with anyone other than close advisers and relatives.

Security Council Restored To Prevent Violent Outbreaks

PA2801013795 San Pedro Sula TIEMPO in Spanish 25 Jan 94 p 2

[FBIS Translated Text] Tegucigalpa—Foreign Minister Ernesto Paz Aguilar, spokesman for the National Security and Defense Council—an advisory panel to the president of the Republic, which was reactivated yesterday at the Government House—said that beginning today Security Forces will take preventive measures to inhibit acts of vandalism against hospitals and transportation vehicles.

Under the terms of Agreement No. 001-95, this council comprises the president of the Republic, the commander in chief of the Armed Forces, the head of the Joint Chiefs of Staff, the inspector general of the Armed Forces, the government and justice minister, the presidency minister, the foreign minister, the defense minister, and the secretary of state as designated by the president.

Upon leaving the first council meeting convened by President Carlos Roberto Reina, Paz Aguilar explained that during the meeting the national situation was analyzed and preventive measures were taken to maintain order and security. These measures take into account the strike called for today by the National Health Workers Coordinating Board [CNTS] and possible disturbances that might arise because of the increase in urban transportation fares.

Regarding the health sector dispute, Aguilar said the government has not prohibited strikes, but he added, "the legal restrictions to be placed on public workers concerning strikes were hardly mentioned."

Aguilar added that the rules of the game have been clearly defined and that the groundwork for a salary policy for public employees is being established. In addition, the government continues to seek definite and lasting solutions to the public transportation issue.

Paz Aguilar said the council has been restored at the best time possible, "because we have begun in a clear manner to resolve the enormous problems that arose a few days ago."

President Reina; General Luis Alonso Discua, commander-in-chief of Armed Forces; Presidency Minister Armando Aguilar Ruiz; and Colonel Lazara Avila Soleno, head of the Joint Chiefs of Staff, attended the meeting of the National Security and Defense Council, comprising four civilians and four military men.

Also present were General Guillermo Paredez Hernandez, inspector general of the Armed Forces; Government Minister Efrain Moncada Silva; and Defense Minister Colonel Reynaldo Andino Flores.

According to the reactivation agreement, "the council will meet when summoned by the president of the Republic and discuss an agenda determined by him. The summons will be made through the presidency minister."

The president can invite advisers and other officials to these meetings, as well as technical experts from various fields to give their impressions on the matter at hand.

Armed Forces Announce Rotation of High-Ranking Officers

PA2801102295 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 26 Jan 95 p 42

[FBIS Translated Text] Sixteen colonels in the Armed Forces have been replaced. Their posts will be occupied by new commanders and directors selected by the military hierarchy after 31 January.

Among the changes that will take place in the Armed Forces are: Manuel Luna Gutierrez to transfer to the "Francisco Morazan" Military Academy and replace Marco Antonio Bonilla Reyes, Isaac Ramon Santos Aguilar to replace Daniel Barahona Reyes as director of the Officers Candidate School.

Meanwhile, Jorge Rodas Gamero will replace Colonel Julian Aristides Gonzalez Irias in the 6th Battalion.

Ramon Hernandez Chavez replaces Miguel Angel Ramirez Lanza in the 1st Special Forces Battalion.

Also removed were Rodolfo Raul Diaz Velazquez from the 15th Battalion. Marco Antonio Bonilla Reyes replaces Lieutenant Colonel Alejandro Rodriguez Godo in the 16th Battalion.

Meanwhile, the 110th and 115th Brigades will come under the command of Jorge Alberto Juarez Bueso and Rigoberto Padilla Bejarano, respectively.

Jorge Handal will be appointed to the Military Industry. Miguel Angel Ramirez was removed to the North Military High School and Manuel Quintanilla Enriquez to SEDACE [expansion unknown].

The 5th, 1st, 7th, 15th, 16th Battalions will be headed by Raul Eduardo Escoto Castellanos, Emmanuel Flores Mejia, Rodolfo Interiano Portillo, Rodolfo Raul Diaz Velazquez, and Marco Antonio Bonilla Reyes, respectively.

The Armed Forces command confirmed in their posts Colonels Aldo Augusto Barahona in the Public Security's Cobra Squadron, Bruno Fontana in the Naval Force, Napoleon Santos Aguilera in the Public Relations Directorate, Ramon Valladares Valladares in CALE [Army Logistics Support Command], and Andres Urtrecho in the "Jose Trinidad Cabanas" National Police School ANAPO.

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Likewise confirmed in their posts were Colonels Jorge Alberto Puerto, Jose Martinez Amador, and Efrain Gutierrez Ardon, in the 101st, 105th, and 110th Brigades, respectively.

Also to continue in their posts are Carlos Alberto Andino Benitez, Hernan Siman Elvir, and Javier Lima Bueso, in the 2d, 9th, and 12th Battalions respectively.

Panama

Government Offers Peru, Ecuador Venue for Talks

PA2901220595 Panama City ACAN in Spanish 1945 GMT 29 Jan 95

[FBIS Translated Text] Panama City, 29 Jan (ACAN-EFE)—Panama today expressed "deep concern" over the fierce fighting taking place between Ecuadoran and Peruvian troops, which it characterized as "inconsistent" with the new tendency toward "Latin American integration." In turn, Panama offered its territory for negotiations to resolve the conflict.

According to a government communique, "it is with deep concern that Panama has noted the recent border incidents between the sister republics of Ecuador and Peru. These incidents are inconsistent with the new historic tendency toward integration and Latin American unity, and they pose a threat to Latin American peace and security."

The communique adds that this situation undermines "harmony among peoples with whom the Panamanians maintain very profound, age-old ties of affection and brotherly solidarity."

Panama hereby "pleads for calmness and dialogue between two very dear sister nations, and it offers its territory for a meeting of plenipotentiaries who, in a spirit of conciliation, should reach agreements that reflect the embodiment of a renewed continent on which democracy, peace, and the wellbeing of our peoples prevails."

It is in Panama, the communique states, that the Liberator Simon Bolivar "pioneered" the effort to achieve American unity, and Panama has been the site "of various efforts to achieve peace and understanding among sides involved in the most serious and caustic of conflicts."

More than half of Ecuador's and Peru's exports transit the Panama Canal en route to various markets, while Panamanian capital occupies the third place among all foreign investments in Peru.

A few hours earlier, the Panamanian Government had disclosed a joint statement issued by the presidents of Panama, Bolivia, Colombia, and Venezuela in which they urged Ecuador and Peru to agree to a cease-fire and peacefully settle their differences.

ARI Administrator, Board Speak Out Against Chairman Mendoza

PA2701183595 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Jan 95

[From the "RPC Television News" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] Board members of the Interoceanic Region Authority [ARI] do not trust ARI Chairman Carlos A. Mendoza while the administrator of the reverted areas, Jose Chen Barria, is calling him a traitor to the interests of the Panamanian people.

The ARI administrator described his job as a tortuous path that began the very moment he was appointed. He said he was the target of pressures and offers by Carlos A. Mendoza, chairman of the ARI board of directors.

[Chen Barria] "The reasons why they want my resignation are public knowledge, however, no one has questioned, neither from within nor outside the government, the capabilities, experience, education, record as a public official, integrity, honesty, or qualities of Jose Chen Barria. [applause]

"I did not resign because no matter how humble a man may be, he must act in a dignified and upright manner in accordance with his conscience, and he must never crawl on the ground like a reptile in order to attain a public post or join the sphere of power. [applause]"

Chen Barria pointed out that once the new government took over, Mendoza changed his stand concerning the law ruling ARI.

[Chen Barria] "For the rest of his days, his conscience will not have a moment's rest. Every day, his conscience will be burdened with the weight of his treason against this country and the future generations."

Other members of the ARI board of directors accompanied Chen Barria when he addressed the Panamanian Association of Business Executives [APEDE] luncheon.

[ARI Board Member Carlos Valencia] "In order for ARI to function, it is essential that current Chairman Carlos A. Mendoza no longer remain in his post. His term expires in April. He has lost the confidence of the majority of the board members because of his embarrassing and shameful actions. In addition, he does not have the qualifications, experience, or knowledge to be the head of an institution such as ours."

Meanwhile, Carlos A. Mendoza was disclosing plans to establish Government City in the areas yet to be reverted in Fort Clayton where the 12 ministries as well as the autonomous and semi-autonomous entities would reportedly be transferred, therefore, Mariano Mena said that Mendoza announced the project without the prior evaluation or knowledge of the board of directors.

[ARI Board Member Mariano Mena] "With this, I want to clearly establish my strongest protest over this type of

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attitude. I am going to insist on this within the board of directors, therefore, I do not want to speak ahead of things that are going to happen in the future."

Meanwhile, former ARI Administrator Juan Blau disclosed that he resigned over problems similar to those Chen Barria is now confronting with Carlos A. Mendoza. The ARI was created for the purpose of giving the best possible use to the reverted areas and preventing party politics from interfering with that purpose.

The APEDE meeting has been the site for discussing several situations within ARI that were not public knowledge. According to the board members themselves, these situations are jeopardizing the future of the reverted areas.

ARI Chairman Derides Barria's Remarks

PA2701183795 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Jan 95

[Report by Luis Polo Roa; from the "RPC Television News" newscast]

[FBIS Translated Text] ARI [Interoceanic Region Authority] Board Chairman Carlos Mendoza has termed as groundless and irrelevant the statements by ARI Administrator Jose Chen Barria regarding his future position within the organization.

Mendoza said that the actions of ARI Administrator Jose Chen Barria are but impulses to defend his salary. Mendoza stated that if any board member of that entity wishes to resign, nobody can prevent that because everyone is responsible for his own actions.

[Begin Mendoza recording] It turns out that Mr. Chen Barria earns 5,000 balboas per month. I do not earn a salary, therefore, it is a bit strange that I am groveling for nothing and that he is sticking pathologically to a government salary.

Whether some people want to resign or not, I do not know. I am not certain about that. Let each board member who wants to resign first do so and later explain his reasons for resigning. [end recording]

Regarding the statements by Chen Barria that some ARI members, with the support of President Perez Balladares, are trying to install a civilian-type dictatorship seeking positions within the government, Carlos Mendoza explained that despite concluding his term as chairman of the ARI Board next April, he will continue to serve within the ARI.

[Begin Mendoza recording] As far as I know, my good friend, I am not the president of the republic. If Mr. Chen Barria wants to make specific accusations against Dr. Perez Balladares, let him accuse the president of wanting to be a dictator. I have no aspiration to the presidency of the republic.

Now, let us set the record straight. I am a member and will remain a member of the Perez Balladares administration. [end recording]

Mendoza stressed that the problem of Chen Barries lies in the fact that with the reforms authorities hope to introduce to the ARI Law, a new administrator will be selected. He reiterated this worries Chen Barria because of the salary he is making.

ARI To Build 'Government City' in Reverted Areas

PA2801032095 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Jan 95 p 1

[Report by Cristobal A. Chen]

[FBIS Translated Text] Carlos Mendoza, president of the Interoceanic Region Authority [ARI], announced yesterday that a "Government City" will be built within the reverted areas of Ft. Clayton at a cost of $300 million. It will house ministries and other government agencies.

Mendoza said the government will locate "as many public offices as possible" within a 100-hectare area on Ft. Clayton, which is located on the banks of the Miraflores Lake.

Minister of Public Works Luis Blanco said his office will erect buildings, improve roads, and build a bridge over the Panama Canal to connect the "Government City" with the outlying areas. According to Blanco, the project could be concluded in four years.

Blanco also said the designs and blueprints will be ready in about one year.

Bechtel, which is the most renowned construction company in the United States, could be tasked with the project.

According to Mendoza, the government seeks "greater efficiency and increased working space for its agencies, while solving traffic problems in the center of town."

Mendoza said the government will "trade several buildings and other assets it owns around the city for buildings at the new Panamanian Government City."

Mendoza announced, "Panamanian officials have asked the U.S. Government to revert these lands to Panama before the date established in the Torrijos-Carter Canal Treaties."

Ft. Clayton, located on the Pacific coast, has 1,374 acres (880 hectares) and is the seat of the U.S. Southern Command. There are about 10,000 soldiers stationed in Panama.

Ft. Clayton also has some 1,392 housing units, a 35-room motel that also has five apartments, a chapel, community clubs that can serve up to 375 people, a gymnasium, swimming pool, service station, post office,

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gasoline pumps, a recreation center, a police station, dormitories, stores, and 38,000 meters of storage space.

President Confirms Reform of ARI Law

PA2801032495 Panama City EL PANAMA AMERICA in Spanish 26 Jan 95 p A1

[Report by Juan Manuel Diaz C. and Bienvenido Mojica]

[FBIS Translated Text] President Ernesto Perez Balladares has confirmed that the draft reform of the ARI [Interoceanic Region Authority] law includes a proposal that will assure that its Board of Directors delegate a number of functions to its administrator, who will be chosen from among three candidates.

Perez Balladares pointed out that the draft also includes a provision that will assure that the president of the Republic approve any transaction larger than $2 million made by the ARI.

He disclosed that the ARI is making decisions for which it could be held responsible, adding that it is unfair that the executive branch is unable to intervene in the ARI's decisions.

He also explained that the number of ARI directors will be increased and that the president will appoint the new members who will later by approved be the Legislative Assembly.

Meanwhile, former ARI Administrator Juan Blau said that the new ARI administrator must be a cabinet member, as stipulated in the reforms, because this institution is one of the country's major assets. This is why it has to report its decisions not only to the president of the Republic but also to his cabinet.

Blau emphasized that one of the good points of the ARI reforms is the fact that the organization is considered part of the government.

President Appoints Members of Canal Transition Commission

PA2801032295 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Jan 95 p A2

[Report by Esperanza Navarro Francois]

[FBIS Translated Text] The Transition Commission for the transfer of the Panama Canal was formed yesterday. Jorge Eduardo Ritter, one of the commission's members, disclosed that it will consist of nine members appointed by the executive.

Following a meeting with President Ernesto Perez Balladares, Ritter told the media that giving advice to the president and the foreign minister, particularly regarding the transition, will be among the commission's duties.

The commission will be made up of Emanuel Gonzalez Revilla, Moises Mizrachi, Fernando Cardoze Fabrega, and Jorge Eduardo Ritter of the Panama Canal Commission [PCC] Board of Directors.

Adolfo Ahumada; Eloy Alfaro; Samuel Lewis Navarro of the Canal Consultative Committee; Transition General Director Augusto Zambrano; and Juan Antonio Stagg, head of the Panama Treaty Affairs Executive Directorate, also will be members of the commission.

The commission will be responsible for analyzing all matters pertaining to the transition from U.S. to Panamanian control and for submitting bills as recommendations to the executive branch. These bills will, in turn, be presented to the legislative branch.

Ritter stated that Perez Balladares asked them to consult the largest number of people who have had experience in transition issues so that they can work and contribute their expertise.

PCC Administrator Gilberto Guardia; Foreign Minister Gabriel Lewis Galindo; and Ricardo Alberto Arias, Panama's ambassador to the United States, also attended the meeting.

Attorney Asks U.S. To Withdraw Reward Offer for Gonzalez

PA2901155295 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Jan 95

[Report by Alexander Calderon; from the "RPC Television News" newscast]

[FBIS Translated Text] Attorney Carlos Carrillo today asked the U.S. Government to withdraw its reward offer for his client, Pedro Miguel Gonzalez, the son of legislator and PRD [Democratic Revolutionary Party] President Gerardo Gonzalez. Carrillo said he is concerned about the reward of up to $100,000 offered by the U.S. Government for information as to the whereabouts of his client.

The son of the PRD president and Panamanian legislator is involved in the murder of U.S. soldier Zak Hernandez, which took place in June 1992.

[Begin Carrillo recording] We are concerned about his safety because he has been the subject of certain publications regarding a reward, as well as other actions. For the community's benefit, I believe these actions by the U.S. authorities must be formally brought to a halt. [end recording]

Carlos Carrillo also said that so far there has been no indication of a possible request for the extradition of Pedro Miguel Gonzalez to the United States.

[Begin Carrillo recording] I do not know anything about this. We are waiting to see if such a request is made, but we have no doubt that this falls within Panama's jurisdiction. This fact has been recognized. Additionally, I am professionally and personally convinced that once they review the information that will be compiled in the

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brief, the U.S. authorities will not have any doubts that Pedro Miguel Gonzalez has no link whatsoever to the crime being investigated. [end recording]

Pedro Miguel Gonzalez remains under arrest at National Police installations. He has been placed in the custody of the fourth superior prosecutor's office in Panama City while investigations into the case continue. Right now, the case is in the brief preparation stage.

Court Rejects Vice President's 'Interference'

PA3001053695 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Jan 95

[From the "RPC Television News" newscast]

[FBIS Translated Text] Magistrate Arturo Hoyos, the president of the Supreme Court of Justice, has forcefully rejected the interference by First Vice President Tomas Gabriel Altamirano Duque into a judicial process which falls under the jurisdiction of the courts of justice. Hoyos, thereby rejected a statement by the first vice president on the alleged persecution, via the legal system, of officials in the current government and the legal process that is under way for the crime of the murder of U.S. soldier Zak Hernandez. Magistrate Hoyos said that this and all other pending cases will be handled with respect for the constitutional precept of due process for all the accused defendants, and without any domestic or foreign political interference.

Foreign Minister Views Resumption of Cuban Ties

PA2801102795 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Jan 95

[From the "RPC Television News" newscast]

[FBIS Translated Text] Foreign Minister Gabriel Lewis Galindo has affirmed that our relations with the United States will not be hurt by our resumption of diplomatic relations with Cuba.

[Reporter Luis Alberto Jimenez] Foreign Minister Lewis Galindo said that Panama wants to have good relations with all nations, since it it is a free and sovereign country.

[Begin Lewis recording] The United States respects the decisions of nations like ours. Restoring relations is a sovereign decision by the Panamanian Government. We have not heard any comment either for or against it from the United States, nor does it have to interfere in our internal affairs. [end recording]

[Jimenez] The foreign minister's statements came in response to the resumption of diplomatic relations between Cuba and Panama.

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Brazil

Government Urges Peru, Ecuador To Maintain 'Dialogue'

PY2701174995 Madrid EFE in Spanish 1606 GMT 27 Jan 95

[FBIS Translated Text] Brasilia, 27 Jan (EFE)—A Foreign Ministry source today said that Brazil "will do everything it can" to make Ecuador and Peru sit down and talk to peacefully resolve their border disagreements.

A diplomat, who asked to remain anonymous, told EFE that proof of Brazilian interest was the meeting of guarantor countries of the Rio de Janeiro Protocol, which was held in Brasilia on 25 January at Brazil's request.

Diplomatic representatives from Argentina, Brazil, Chile, and the United States of America—the guarantor countries of the Rio de Janeiro Protocol of 1942, which established the borderline between Ecuador and Peru—have urged the governments of Quito and Lima to avoid an aggravation of the situation and to resume talks.

Ecuador considers, however, the protocol to be "null" because the border markers established in it are geographically nonexistent.

Brazil called a meeting of the guarantor countries in the face of the tensions provoked by the armed incidents that have occurred at the Peruvian-Ecuadoran border during the past two weeks.

The Brazilian diplomat said that "nothing could be more negative for Latin America than two brother peoples breaking their friendly ties and abstaining from exploring the path of dialogue to resolve their conflicts."

The source added that Brazil will always be willing to cooperate and to meet with the other guarantor countries as often as necessary to solve this problem.

Canada's Chretien Visits, Signs Accords With Cardoso

PY2801005095 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 27 Jan 95

[By Claudia Moreira at Planalto Palace]

[FBIS Translated Text] Brazil and Canada have signed accords to increase exchange between the two countries.

Canadian Prime Minister Jean Chretien signed five documents with President Fernando Henrique Cardoso at Planalto Palace. The documents concern establishment of a commercial and economic council, a penal accord, audio-visual co-production, an extradition treaty, and a memorandum about high-level political consultations.

At the end of the meeting, President Cardoso addressed the press in English:

[Begin Cardoso recording, in English] We are now opening our economy on the one hand, and on the other hand we are privatizating. We believe Canadians in particular are welcome and are.... [end recording]

Cardoso said Brazil is living a new moment, opening the economy and privatizing, and that the Canadians will always be welcome in Brazil. In addition, Cardoso said that the extradition problem is complex, and mentioned that some Brazilians have been arrested in Israel. The president ended his interview by stating that he will look into this issue carefully, always within the framework of respect for human rights.

Motta Urges Private Sector Financing of Phone Services

PY2701005295 Rio de Janeiro O GLOBO in Portuguese 25 Jan 95 p 21

[FBIS Translated Text] Brasilia—Communications Minister Sergio Motta said on 24 January, during the Rede Globo television program "Good Morning, Brazil," that he hopes repressed demand [demanda reprimida] in the area of telephone services will be met by private investment. According to Motta, after the constitutional reform and the elimination of state monopoly over the area, private groups will answer for most of the nearly $25-billion investment that the telecommunications sector will need for the next four years. If we take into consideration the fact that in the last few years investment in the area of telecommunications totaled an average $3 billion per year, we will realize that, depending solely on Telebras [Brazilian Telecommunications, Inc.] resources, investment for the area would not exceed $12 billion.

"If we count only on public area resources, it will be almost impossible to invest such a huge amount of money," Motta said.

He added that in the area of conventional telephone service alone, there is a repressed demand for 8 million telephone lines, and he pointed out that rural telephone service, for all intents and purposes, does not exist. Meanwhile, cellular telephone operations are already overburdened because it has become the relief valve compensating for the absence of conventional telephone lines.

Motta also said that the telecommunications area will be a sort of propelling factor for resumption of economic growth. According to him, once the constitutional reform is implemented, the private enterprises will be allowed to participate in all telecommunications services.

Minister Motta said that in the process of making the monopoly more flexible, the government does not plan to begin an accelerated push for the privatization of the

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Telebras System. Motta added that hopefully the private capital will be able to meet the repressed demand. Motta, however, made very clear his position regarding the role he believes the government must play in the telecommunications area:

The government must grant licenses, and regulate and supervise the telecommunications sector, Motta said.

Here is a list of the main actions announced by the minister:

1. To review the labor accord established between the Telebras system and telephone line owners. Twelve of the clauses will have to be altered. Meanwhile, Telebras will have to resort to the courts to suspend the effects of these clauses while it tries to renegotiate them.

2. To revoke 153 bidding edicts for franchising of radio and television channels issued since 1986. They will only be reopened after new rules for the area go into force.

3. To enable a working team to finish, probably within 60 days, the new rules for franchising and authorizing of all the services supervised by the Communications Ministry, including radio and television licenses. These new rules will be promulgated through presidential decrees. One of the objectives of the new rules is to prevent the concentration of franchises in the hands of a small number of economic groups.

4. To regionalize the administrative boards of the companies linked to the Telebras system, thus making it possible for these companies' managing boards to be unified by region.

5. To suspend two biddings opened by the Postal and Telegraph Company (ECT): one for the night post office network and the other for the computerization of post office activities. In the case of the latter, the bidding process will be reopened in six months, but there is no definite deadline for the bidding process relative to the computerization services.

6. To appoint, whenever possible, technical managers for the enterprises linked to the Communications Ministry.

7. To stop destructive rivalry between Telebras and Embratel [Brazilian Telecommunications Company]. Shares of the two companies, which make up a same group, will be adjusted to prevent investment overlapping.

Government 'Reevaluating' Monetary, Exchange Policy

PY2801024395 Rio de Janeiro O GLOBO in Portuguese 27 Jan 95 p 21

[Article by Raul Pilati]

[FBIS Translated Text] Brasilia—The government will maintain the policy of monetary austerity—control on credits, circulating money, and high interests—abandoning its announced willingness to make compulsory bank deposits more flexible. This information was released yesterday by Alkimar Moura, director of the Central Bank Monetary Policy Department. He said the monetary and exchange policies are being "reevaluated," in light of domestic pressure—higher demand—and external pressure—the Mexican crisis and the earthquake in Japan, which have caused a capital drain from Brazil.

"The process is being reevaluated and decisions are being made in line with the new situation. We are aware of the changes in the situation and their effects," Moura said.

The strategy seeks to promote exports in order to reverse the trend to register trade deficits, which has occurred since November 1994, adjusting monetary instruments to prevent arriving capital from fueling inflation. The government will have to make an extra effort to control liquidity, by checking its own expenditures, until the tax reform becomes feasible.

On the internal front, the government is confronted with an "excessive" level of economic activities and demand for January, Moura said. The industrial sector is reaching the top of its installed capacity, he added, noting that the government will have to adopt measures in order to compensate for this problem. The rate for releasing Central Bank funds will be slower than initially scheduled. Moura reported that the program is being "redesigned" in order to avoid accelerating the economy even further. The money that is returned to the financial market can increase credit supply, and consequently, the level of demand.

On the external front, the government is facing the consequences of Mexico's exchange crisis, of the earthquake in Japan, and of U.S. inflation. Mexico sustained massive financial losses with the devaluation of its currency at the end of 1994, an occurrence that reduced the flow of capital to Latin America.

"We are following developments of the crisis in the rest of the world, especially in Latin America, Mexico, and Argentina," Moura said.

The earthquake that hit Japan in January attracted capital to that country, for reconstruction purposes. For its part, the U.S. Government has increased interests in order to check inflation, a measure that has also attracted international investors. These factors have increased the competition for the money available at an international level.

In order to cope with the new international situation, the government started promoting exports to bring funds to Brazil. The government wants to reverse the trade balance deficit, which is another factor pressuring international reserves, which have already dropped from $43 billion in September to approximately $38.5 billion in

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December. The target is to generate a commercial surplus with which to honor Brazilian external obligations, like payment of the interest on the foreign debt. Other measures are being studied to support exporters, such as the use of the reserves in financial operations.

"We are trying to improve exporters' competitiveness. We will wait for the results of the first measures in order to take further action, like adjusting the monetary policy to the export income," Moura reported.

Acting Workers Party President on Current Crisis

PY3001122595 Sao Paulo AGENCIA ESTADO in Portuguese 2113 GMT 26 Jan 95

[FBIS Translated Text] Sao Paulo, 26 Jan (AE)—A PT [Workers Party] leader—Rui Falcao, acting president of the largest party in the opposition to the federal government—has for the first time admitted that the party has plunged into a crisis after the defeat of its candidate Luiz Inacio Lula da Silva in the presidential election. At a party national executive board meeting on 26 January, Falcao joined the debate on party plans for 1995 and 1996, which involve a "head-on opposition" to Fernando Henrique Cardoso and participation in the constitutional reform. "In 1989, Lula lost the election, but the Lula-94 project gave us energy for a rapid reorganization," he said. "Now, with the second defeat, even with the possibility of thinking of a Lula-98 project, this can no longer unify the party. The presidential project has been exhausted."

According to Falcao, the defeat in 1994—in addition to socialism being on the decline throughout the world—and the loss of political unity in the party are real problems that the PT is analyzing. "It is the end of a cycle that compels us to search for a new course," he said. Falcao does not believe, however, that this is the PT's worst crisis ever, because the number of PT senators has increased, two PT gubernatorial candidates were elected, and the party has a good chance of having more mayors elected in 1996. The PT executive board will release a communique on the initial results of the talks on 27 January. This communique will focus on the opposition to Fernando Henrique Cardoso's "neoliberal project," on the risks of this project as evinced by the Venezuelan and Mexican crises, and will state that the PT will submit its own constitutional reform proposals.

One of these proposals will be the gradual tax reform (those who earn more should pay more), and the inheritance tax on large fortunes which the party has championed earlier. The PT will also propose the reform of Social Security. Working groups are already analyzing these and other issues like the economy, agriculture and land ownership, labor and public services, telecommunications, infrastructure, political and institutional reforms, education, and human rights, and will submit further suggestions at the meeting between PT congressional blocs and the party's executive board, and at the meeting of PT governors and mayors which will be held on 30 and 31 January in Brasilia. The acting PT president did not want to disclose details of the other proposals, claiming that they are still under discussion.

Falcao criticized Jose Fortunatti, (Rio Grande do Sul) PT bloc leader in the Chamber of Deputies, for having said that the PT favors a relaxation of state monopolies. "The executive board unanimously disagreed with this strictly personal statement of his," Falcao said. The acting president—who will give Lula his job back on 10 February so that the latter can preside over the 15th anniversary of the PT—added that Fortunatti, being a leader, should not be going around stirring up arguments and disagreements among party bodies. "He should rather work to bring these bodies closer together," Falcao said. The acting PT president stated: "We expected more from the Cardoso administration," making it clear, however, that his party is not refusing to hold talks with the federal government. "We even used to hold talks with Collor's ministers, and since constitutional reforms will require the votes of two-thirds of Congress, the PT will have to be heard on every issue," Falcao said.

Chile

New Meeting of Peru-Ecuador Border Guarantors Expected

PY2701174695 Madrid EFE in Spanish 1512 GMT 27 Jan 95

[FBIS Translated Text] Santiago, 27 Jan (EFE)—Foreign Relations Under Secretary Mariano Fernandez said today that the Chilean Foreign Ministry expects within the next few hours a new call to the guarantors of the Rio de Janeiro Protocol in view of the escalation of tension on the border between Ecuador and Peru.

Fernandez told EFE that said a summons should come from Brasilia within the next few hours. He also stressed Chile's disposition to do everything possible to prevent an extension of the conflict.

The Peruvian Government has reported that an Ecuadoran helicopter gunship last night attacked a Peruvian border sentry post, while officials in Quito have confirmed a "shootout" between forces of the two countries.

Peru has placed its Armed Forces on a state of alert due to the incident, while in Ecuador classes have been suspended and other measures have been adopted.

The guarantors of the Rio Protocol, which in 1942 set the borderline between Ecuador and Peru in the Condor Mountains, and which are Argentina, Brazil, Chile, and the United States, met 25 January in Brasilia to review the development of events in the zone between 9 and 11 January.

On those days the two countries reported armed incidents between military patrols which apparently caused no casualties.

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At the meeting, they urged the two parties to maintain dialogue so as to prevent any aggravation of the current tension, and as a means to allow a longstanding solution. They noted the disposition expressed publicly by Ecuador and Peru to find a peaceful solution.

Under Secretary Fernandez said today that the new incident will force the adoption of new mediation actions by the guarantor countries, and insisted that the call to a new meeting is imminent, while he also reaffirmed that Chile will do everything it can to contribute to finding a solution to the conflict.

Suspension of NAFTA Talks Demanded Until Grapes Case Solved

PY2801004795 Madrid EFE in Spanish 1832 GMT 27 Jan 95

[FBIS Translated Excerpt] Santiago, 27 Jan (EFE)—Chilean Senator Sergio Romero today asked that negotiations to join NAFTA be suspended until the United States comes up with a solution to the case of the cyanide-laced grapes.

Romero, of the rightist National Renewal Party [RN], also demanded that the government be "more energetic" with Washington to solve the problem that, in 1989, caused millions in losses to Chilean fruit growers and exporters when the United States decreed an embargo on all Chilean fruit imports. [passage omitted]

Senator Romero said that Chile should suspend negotiations for its entry to NAFTA until a solution to the grapes case is found and the Chilean businessmen are granted the $350 million indemnization they are demanding.

Moreover, a group of deputy members of the commission investigating the case in Chile will travel to the United States in February to meet with U.S. congressmen and seek a rapprochment of the two government's stances, according to Deputy Juan Carlos Latorre.

Latorre said there are U.S. congressmen "who are sensitive" to the problem. He also said he disagreed with Romero regarding the NAFTA negotiations because "one cannot mistake one thing with another."

Foreign Minister Jose Miguel Insulza, upon announcing that the binational commission will be reactivated, also promised the government's support to the court proceedings promoted by the businessmen and to the delegation of deputies who will travel to the United States.

Insulza, as well as Finance Minister Eduardo Aninat, refused to comment on the U.S. Embassy communique, considering the case closed.

Arriagada on NAFTA Environmental Issues

95WN0073A Santiago EL MERCURIO in Spanish 16 Dec 94 p C2

[FBIS Translated Text] Regarding the environmental cooperation accord in the future NAFTA negotiations with the United States, Canada, and Mexico, the Chilean Government intends not to opt for harmonization policies—the application of strictly similar regulations in each of the member countries—but instead for equivalency—guaranteeing a satisfactory level of environmental protection in relation to the standards the other partners apply.

This was announced by Minister-Secretary General of the Presidency Genaro Arriagada in a breakfast meeting with members of the Chilean-North American Chamber of Commerce.

Arriagada added: "Regarding the equivalency policy, the government will express its intention to support an environmental policy, create an effective public agency, Conama [National Environmental Commission], to deal with these matters, and issue regulations enabling an environmental protection policy to be created."

He expressed his hope that the environmental issue "will not be the major focus or even a problem" in the future negotiations, which he called "difficult, but not too difficult."

Negotiating Team

Arriagada reported that the NAFTA negotiations will be conducted by a special panel of four ministers led by Finance Minister Eduardo Aninat. He said this team was chosen because with "the variety of negotiations in which Chile is engaging, we need to have a general overall vision in the negotiations."

The three other panel members are the ministers of the economy, Alvaro Garcia; foreign relations, Jose Miguel Insulza; and Arriagada.

He indicated that the panel will first see "how we are going to conduct the negotiations."

Arriagada said that, along with Minister Aninat, "a sizeable group of people will work on different related committees." He said they will focus on "six major areas": market access and rules of origin; investment in services and intellectual property; labor issues; government purchases, technical standards, and competition policy; conflict resolution, safeguards, and antidumping; and finally, the environment.

Describing what Chile is doing on environmental issues in terms of equivalency standards in comparison to the United States, Canada, and Mexico, he explained that Conama has been established in Chile's 13 regions. He added that the basic regulations contained in the framework law setting forth the General Guidelines on the Environment promulgated this year are being drawn up in order to determine an environmental policy.

Arriagada reported that a final draft of the regulation setting equivalency standards will be issued before 20 December 1994. He indicated that they need to be very careful in this area, as "excessive regulations" could

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cause certain activities to collapse and send an extraordinarily negative signal to the private sector.

He added that the regulation creating the SEIA [Environmental Impact Evaluation System] will probably be issued within about 90 days by the task force drafting it: representatives of government agencies, private industry, and academic institutions.

He said this regulation requires great care, for if it is poorly handled it may have a very negative impact on the economy.

In the future there could be 200 or more environmental impact studies a year for projects costing not millions but billions of dollars, Arriagada revealed. He warned that Chile will have to comply with requirements arising from this regulation without creating a huge bureaucracy.

He added that "in the next few days we will be able to issue the regulation establishing the declaration of a saturated zone and creating pollution remediation plans."

"Green" Markets

Arriagada said that NAFTA stipulates that no member country may lower its environmental standards in order to attract investment.

He said that the treaty also tries to create "green" markets with exporters prepared to produce goods and services meeting the international market's strict quality standards, so he said that it may be inferred that "the relocation of investment to take advantage of more lax environmental regulations and standards will have comparatively little importance in relation to the enormous impact of having to comply with strict quality standards for goods and services as a condition for export."

In explaining why Chile prefers the concept of equivalency to harmonization of environmental standards, he said that the countries' environmental conditions differ; in addition, imposing excessively expensive standards may produce a marginal improvement in the environment at the cost of a decline in resources urgently needed for development.

Arriagada maintained that NAFTA favors equivalency and not harmonization, as "it does not propose common environmental regulations, nor does it subject the internal environmental legislation and regulations of each country to negotiation." He added that the treaty members—the United States, Canada, and Mexico—did not set common air or water quality standards, nor do they have common regulations for handling solid wastes or emissions of industrial pollutants.

He indicated that there have been "too much speculation and too many unfounded fears" about the supposed impact of increased environmental protection on trade, as only 18 of the 180 international agreements on the environment contain trade measures.

He said: "We must be cautious in these negotiations. As the minister of foreign relations put it very well with a soccer analogy, we must never confuse the starting kick with the winning goal. Consequently, we are now beginning negotiations that will be difficult, but not too difficult."

Foreign Ministry Issues Communique on Laguna del Desierto

PY2701163995 Santiago LA TERCERA DE LA HORA in Spanish 24 Jan 95 p 5

["Text" of communique read by Foreign Minister Jose Miguel Insulza on 23 January on the Laguna del Desierto ruling]

[FBIS Translated Text] 1. His Excellency, the president of the Republic, has instructed the Foreign Ministry to appeal to the Arbitration Court in charge of the border dispute with Argentina in the Laguna del Desierto area in keeping with what is established in Chapter 2, Annex 1 of the 1984 Peace and Friendship treaty.

2. As is well known, Articles 39 and 40 of this annex establish the possibility of utilizing some specific resources. A careful review of the pertinent information has led the president to utilize those resources on the basis of these articles.

3. In compliance with international treaties and with its express decision to uphold the rulings issued by the court established in the 1991 Arbitration Treaty, Chile will strictly abide by what is established in the treaty. Thus it will be exercising the legitimate rights to which it is entitled in keeping with what established in the text of the treaty.

4. Lastly, the Chilean Government has requested that the Arbitration Court suspend the demarcation proceedings and the implementation of the ruling while the appeal to be presented is under study.

Colombia

Intelligence Report Reviews Paramilitary Groups

PA2801050695 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 26 Jan 95

[From the "National Newscast"]

[FBIS Translated Text] The Black Serpent group is sowing terror in El Castillo, Meta Department, and authorities have known of its activity for a year. However, it is only one of the 160 paramilitary groups that operate in the country. This information appears in an intelligence report obtained by the "National Newscast."

Authorities have known of the Black Serpent paramilitary group since November 1994. Apparently, this organization is a splinter group of the FARC [Revolutionary Armed Forces of Colombia] that arose when the Patriotic Movement political movement got organized more

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than 10 years ago. The Black Serpent's objective is to terrorize FARC members in the Meta region, where this guerrilla group, the Patriotic Union, and the Communist Party have a great deal of influence. According to police intelligence, there are 40 men, mostly unidentified people, in the Black Serpent group. The only names that are known are N.N. Ramirez, Edgar Agape, and Fabio Ocampo, alias El Charro Serrano Iropero.

However, the Black Serpent is not the only paramilitary group operating in Meta. There are nine more groups in the area, and most of them are coordinated by emerald miner Victor Carranza.

The authorities know that at least 160 paramilitary or self-defense groups exist in the entire country, especially in the Valle, Antioquia, Cauca, and Santander areas. There are paramilitary groups that are so strong that they are coordinated nationally, such as the Extraditables, Communist Youth, Death to Kidnappers, Black Hand, the Birds, and Revolutionary Commandos.

There has been only one official offensive against the paramilitary groups in the past year. It was carried out by the Prosecutor's Office in Antioquia more than a month ago, and approximately 20 people were arrested. For the rest, these groups seem to continue growing and the security forces cannot control them. Apparently, the government does not have a strategy on how to put an end to the paramilitary groups in the country.

Commission To Inspect Caqueta Coca Fields

95WD0168Z Santa Fe de Bogota EL TIEMPO in Spanish 16 Jan 95 p 8A

[FBIS Translated Text] Florencia—A national government commission consisting of representatives from the Ministries of Government, Agriculture, and Environment will visit Caqueta in the middle of this month. Its purpose is to tour various areas of the department cultivated with coca, and to hold dialogue with the peasants interested in substituting for the illicit crop but opposed to fumigation with glyphosate.

Fernando Sarmiento, chairman of the committee for colonization of the Middle and Lower Caguan of Cartagena del Chaira, reported that this committee, representing the region's peasants, submitted a document specifying six points to the ministers of government, environment, and agriculture: Horacio Serpa, Cecilia Lopez, and Antonio Hernandez Gamarra, respectively.

According to Sarmiento, the meeting with the three high-ranking officials brought significant results, obtaining a government commission that will be responsible for inspecting the areas planted with coca. At the same time, it will reach an agreement with the peasants on the social and economic requirements that would make it possible for them to replace the coca crops gradually.

Nevertheless, the commission, comprised of the representative of the Vicariate of San Vicente del Caguan, Rodrigo Velaines, and the farm workers Nely Buitrago, Bertil Trujillo, and Fosion Ocampo, pointed out that the agriculture minister had promised to promote the rubber and cacao projects. They are currently being executed in the Caguan region by the parish priest, Jacinto Franzoi, and the National Rehabilitation Plan.

The purpose of the project is to provide joint financing for the processing of chocolate. At the same time, the environment minister appointed an official to evaluate the area stricken by deforestation.

The coca growers, for their part, promised to reduce the felling of woods, and to immediately suspend coca planting. However, they expect the government to construct schools and health centers, and to market agricultural products, guaranteeing improved technology and transportation for them.

They also indicated all the social, economic, and environmental risks entailed by fumigation with glyphosate.

Ecuador

Joint Chiefs Report Second Attack on Border Detachment

PA2701194895 Madrid EFE in Spanish 1854 GMT 27 Jan 95

[FBIS Translated Text] Quito, 27 Jan (EFE)—The Armed Forces Joint Chiefs of Staff disclosed today in Quito that Peruvian soldiers this morning attacked Ecuador's "Lieutenant Ortiz" border detachment. No casualties have been reported.

The military source added that "the attack was repelled at approximately 0800 (1300 GMT)" and said that this was the second armed clash since hostilities began on the Amazonian border yesterday.

The Joint Chiefs of Staff reiterated that there was never any attack by an Ecuadoran helicopter on a Peruvian detachment—as reported by authorities in Lima—because such aircraft are not operating in the area.

Ecuadoran Government officials and military officers say the first clash took place in their territory at 1800 (2300 GMT) yesterday, and the second took place 14 hours later—also in their jurisdiction. In the meantime, Peru has stated that another clash occurred in Peruvian territory at 0100 GMT today. This incident, which Ecuador openly denied, seeks to make Ecuador look like the aggressor. Authorities in Quito have reiterated that this is false.

No casualties have been reported on either side in any of the clashes recognized by Ecuador.

Armed Forces Deny Peruvian Report, Report Attack

PA2701205395 Quito Voz de los Andes in Spanish 2010 GMT 27 Jan 95

[Official Bulletin No. 2 issued by the Ecuadoran Armed Forces Joint Command on 27 January; place not given]

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[FBIS Translated Text] The Armed Forces Joint Command hereby inform the country of the following:

1. Peru's tendentious information on the attack by an Ecuadoran helicopter on a Peruvian detachment is not true and only seeks to suggest to the international community that Ecuador has been the aggressor.

2. The Peruvian patrol that infiltrated Ecuadoran territory and was detected by our Army's forces in the confluence of the (Tihuinza) and Cenepa Rivers has spread throughout the area.

3. Today at 0600 an attack on the Lieutenant Ortiz military detachment was repelled. Ecuadoran forces did not suffer any casualties.

4. The Armed Forces continue the security operation along the entire Ecuadoran border.

5. The Armed Forces reiterate to the country our determination to preserve our national sovereignty and call on the Ecuadoran people to strengthen national unity.

Information Center Established; Media Asked to Exercise Prudence

PA2701203495 Quito Voz de los Andes in Spanish 1955 GMT 27 Jan 95

[Communique No. 1 issued by the Ecuadoran Presidency of the Republic in Quito on 27 January]

[FBIS Translated Text] The State Communications National Secretariat (Senacom) has reiterated its request to all media of the country to exercise the greatest prudence in dealing with the information on the situation in the southern border of the republic. It states that the national government is doing all it can to resolve this conflict under the best possible terms.

In order to channel official information, an Information Center has been set up at the Presidency of the Republic, with the participation of the Senacom, the Press Secretariat of the Palace, the Ministries of National Defense and Foreign Relations, and the Secretariat of the National Council of Security. This Center will be the only office officially authorized to issue information on this problem.

[Signed] Enrique Proano, Senacom secretary.

President, Foreign Minister Pursue Diplomatic Solution

PA2801000095 Quito Voz de los Andes in Spanish 2326 GMT 27 Jan 95

[FBIS Translated Text] Quito—Following talks with Ecuadoran President Sixto Duran-Ballen and Foreign Minister Galo Alberto Leoro Franco, Blasco Penaherrera, ambassador to the OAS, said that they insist on going through diplomatic channels to resolve the border conflict between Ecuador and Peru.

He said that both he and the president have contacted the OAS secretary general. He noted that this effort will probably be more effective than any other. Contacts with the guarantor countries—the United States, Brazil, Argentina, and Chile—have been maintained, will be intensified, and will continue to be carried out, because for the time being there is no need to appeal formally to the OAS. He said he has not been instructed to convoke the 35 OAS member countries, because decisions have to be made by consensus, and it is not advisable to make hasty decisions at this time.

Officials Deny Peruvian Commercial Aircraft Banned From Landing

PA2801000495 Madrid EFE in Spanish 2248 GMT 27 Jan 95

[FBIS Translated Text] Quito, 27 Jan (EFE)—Ecuadoran aviation officials have denied that Peruvian commercial aircraft have been banned from landing in Ecuador today following border clashes between soldiers of the two nations.

Martin Tobar, shift supervisor at the Simon Bolivar Airport in Guayaquil, told EFE that a report from Lima claiming that a Peruvian Faucett Airlines plane was prevented from landing in Guayaquil is false. According to the report, the plane was going to stop over in Guayaquil on a flight from Miami to Lima.

Tobar said: "It is not true that a plane was not allowed to land. Faucett does not fly to Ecuador, it only flies over Ecuador, using our airspace. That is all."

Tobar added: "There is no official ban prohibiting Peruvian aircraft from landing. We are still open to the entire world."

Nevertheless, Aeroperu's office in Quito told EFE that one of its planes flying the Lima-Quito-Santa Fe de Bogota route was not allowed to land in Quito today and had to fly directly to Colombia. An Aeroperu management spokesman in Quito said the reasons behind and the origin of the ban remain unknown, because the Ecuadoran Government has not offered any explanation regarding the ban.

Complaint Against Peru To Be Filed With Parlatino 30 Jan

PA2801001095 Quito Voz de los Andes in Spanish 2310 GMT 27 Jan 95

[Report by Edwin Chamorro]

[FBIS Translated Text] (Pascual Del Chopo), vice president of the Foreign Affairs Commission, has said that, as a member of the Latin American Parliament [Parlatino], he has asked the Parlatino to meet on 30 January or next week in Brazil, where he, on behalf of our country, will submit a report on this new Peruvian aggression. Let us listen to what he said a few minutes before he met with the president of the Republic.

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[Begin recording] [(Del Chopo), in progress] ...the Foreign Affairs Commission to ensure he will be informed of what is happening on the country's border. We also bring some recommendations approved by the Ecuadoran Congress for the Foreign Ministry to look at.

[Unidentified reporter] What are the recommendations?

[(Del Chopo)] Well, first the president of the Republic must study them in private to [words indistinct] a firm position by the Foreign Affairs Commission.

[Reporter] [Words indistinct] some diplomats [words indistinct].

[(Del Chopo)] We believe that thanks to the national unity we have—the National Congress also echoes this call to all state organizations—our diplomatic handling has been adequate. But the diplomatic handling of our southern neighbor is not adequate. [end recording]

[Chamorro] This was Deputy (Pascual Del Chopo), vice president of the National Congress' Foreign Affairs Commission, who also said that, among other things, there is unity in Congress, which has set aside all hatred and partisan positions.

[Begin recording] [(Del Chopo)] All the political disputes have definitely been put to one side. National unity comes first. Engineer Febres Cordero even called for a political truce and national unity. We accepted the call by Febres Cordero. Here we are at the Government Palace to stand as one to defend our territory.

[Reporter] The Congress president on several occasions has [words indistinct].

[(Del Chopo)] It seems there has been a change of plans. We, the Foreign Affairs Commission, are now coming here to attend a meeting with the National [word indistinct] Council invited by the president of the Republic. The Congress president will be with us this afternoon.

[Reporter] When [words indistinct].

[(Del Chopo)] I am going to Brazil on 30 January at 1000 to attend a Parlatino meeting, because as its vice president, I requested that an emergency meeting be held in Sao Paulo to ensure that we Ecuadorans will be able to file a complaint. [end recording]

[Chamorro] This is what (Pascual Del Chopo) said as he arrived at the Presidential Palace to meet with the president of the Republic.

Duran-Ballen Offers No Details on Calls From Christopher, Latin Presidents

PA2801002795 Paris AFP in Spanish 2328 GMT 27 Jan 95

[FBIS Translated Text] Quito—On Friday, Ecuadoran President Sixto Duran Ballen was telephoned by Latin American colleagues and U.S. Secretary of State Warren Cristopher. As Duran-Ballen met this afternoon in the private residence in Carondelet Palace (seat of government) with directors of Ecuadoran newspapers, television, and radio, he was interrupted by calls from Colombian President Ernesto Samper and Chilean President Eduardo Frei. The Ecuadoran president was also called twice from Washington by U.S. Secretary of State Cristopher.

The president said he spoke with Brazilian President Fernando Henrique Cardoso, Argentine President Carlos Saul Menem, and Peruvian President Alberto Fujimori. "I spoke with (former) President (Cesar) Gaviria, OAS secretary general," he said.

But he did not reveal what they discussed, although he said the conversations all dealt with the border incidents with Peru, where an incident broke out on Friday when Peruvian soldiers attacked Ecuador's Lieutenant Hugo Ortiz military detachment. According to the president, an Ecuadoran soldier was slightly wounded during the skirmish.

Duran-Ballen asked directors of the media in Ecuador to exercise prudence and moderation in issuing reports on the tense situation on the Ecuadoran-Peruvian border, where there have been several incidents.

He explained in detail the Ecuadoran position not to retreat from its position of having troops occupy the conflict zone. He said his government knows that if it takes even one step back, "we are certain the Peruvians will take advantage of it to again occupy those territories." "Ecuador will defend its territorial positions on the border. If they ask for a cease-fire, we will agree, but without retreating," he stated.

Evacuations From Border Called Preventive Measure

PA2801003895 Quito Voz de los Andes in Spanish 2300 GMT 27 Jan 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] An Ecuadoran Civil Defense spokesman has stated that, in an effort to prevent possible problems, it has been suggested that residents of the Peruvian border region be evacuated.

Civil Defense Coordinator Rodrigo Elaguafilio said the Army has suggested that preventive evacuations should be carried out to avoid problems among the residents, because panic could ensue at any moment.

A local radio station, Radio Quito, announced that the Ecuadoran Army has begun evacuating women, children, and the elderly from the city of Macara on the border with Peru, adding that youths 17 and older will remain in the city to establish civil defense groups that will support the Armed Forces if necessary. This report fanned rumors that the Ecuadoran military is anticipating new armed clashes with Peru. However, Civil Defense is only carrying out preventive evacuations, not

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evacuations prompted by an imminent clash, the Civil Defense representative told a local television station.

Communique Reports Fighting Continues Along Peruvian Border

PA2801014195 Quito Voz de los Andes in Spanish 0042 GMT 28 Jan 95

[Communique from the Ecuadoran Armed Forces Joint Command in Quito "issued at 1700 [2200 GMT] on 27 January 1995;" read by announcer]

[FBIS Translated Text] The Armed Forces Joint Command reports that Peruvian forces attacked the sector of La Cueva de los Tayos at the source of the Cenepa River at 0610 [1110 GMT] today, 27 January. Fighting continues at this location.

At the same time, they attacked the Lieutenant Ortiz Detachment and were repelled. They again attacked at 1040, and the fighting continues.

At 1115, Peruvian helicopters attacked the Soldado Monge Detachment, but there were no casualties. Also, the Peruvian Cahuide Detachment used mortars to fire upon the Ecuadoran town of Soldado Monge.

In the afternoon, Peruvian forces attacked the Etsa Detachment, where fighting rages on.

In the face of this aggression, the Ecuadoran forces carried out successful local counterattacks. The Ecuadoran forces have firmly held their positions and have inflicted serious setbacks on the aggressors.

Morale is high and the struggle continues with the absolute conviction that Ecuador's cause is just and that there is satisfaction in risking one's life for the fatherland.

Duran-Ballen Declares State of Emergency

PA2801015695 Quito Radio Network in Spanish 0100 GMT 28 Jan 95

[Speech by President Sixto Duran-Ballen in Quito—live]

[FBIS Translated Text] Fellow citizens: Even though I have addressed you on various occasions, today I am doing so at a crucial time for our fatherland. The situation demands a responsible, generous attitude, full of patriotic spirit, from every Ecuadoran.

I must inform you that despite the efforts conducted by your government, by me personally, with the purpose of preventing the situation from worsening, the presence in the national territory of Peruvian military forces provoked the confrontation that took place yesterday afternoon. According to Peruvian reports, an Ecuadoran helicopter bombed a Peruvian sentry post. This is absolutely false. According to reports available publicly, the president of Peru has ordered the expulsion of our forces now occupying Ecuadoran territory. If this occurs, clashes of a greater magnitude will be provoked.

The Ecuadoran people already know how serious this situation is. Despite all diplomatic efforts, it has not been possible to achieve a peaceful solution to restore the citizens' tranquillity, which has been disrupted.

Today Peruvian forces attacked the area of La Cueva de los Tayos, as well as the Teniente Ortiz and Etsa detachments. Throughout the day, clashes have been limited to those areas. Peruvian helicopters also attacked the Soldado Monge detachment along the edge of the Cenepa River.

The Ecuadoran Government has informed the governments of the Americas about our situation. We have asked some of them to mediate, especially Argentina, Brazil, Chile, and the United States, with the purpose of preventing the tension from intensifying.

We have also notified the OAS secretary general, with whom we have talked many times. We have also spoken with U.S. Secretary of State Warren Christopher, as requested by President Clinton.

Former President Cesar Gaviria will visit this capital tomorrow; subsequently he will visit Lima. I am sure his participation will be very fruitful.

I have also spoken by telephone with the presidents of the Republics of Colombia and Venezuela. We have obtained the invaluable and favorable commitment to reach an understanding.

I have also held talks with the president of Peru for the purpose of preserving the peaceful coexistence of our peoples.

I must tell you that I have always had the total support of the National Security Council.

Ecuadoran Army troops remain at the mouth of Cenepa River carrying out their duties in defending the territory where Ecuador has exercised its sovereignty for a long time, for many decades. Peru wants us to abandon this region so it can occupy it without observing a geographic reality: There is not just one separation between the Zamora and Santiago Rivers but two separations, one between the Zamora River and the Cenepa River and another between the Cenepa River and the Santiago River.

Our Armed Forces will remain firm in the fulfillment of their sacred duty with the faith and affection of the entire people, who are providing them with their absolute support and solidarity. The Army also has the support of the three branches of government, represented here by their three presidents.

My government will continue to exhaust all possible diplomatic resources to preserve peace.

My government will exhaust all peaceful avenues to find a solution to the territorial problem—a solution that is just, realistic, and worthy of the two countries—and it will do so in a concrete manner, given the incidents that

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have been taking place along the southeastern border. However, complying with my obligations toward the country and the Ecuadoran people and in keeping with Ecuador's firm aspiration for peace, today I have had to declare a state of emergency and national mobilization. The cabinet ministers and I signed this decree today.

Citizens, I ask you to maintain the calm and unity that reflect favorably upon you, as well as the absolute determination to defend our country's integrity and honor. Good evening, my fellow citizens.

National Emergency Decree Explained

PA2801034195 Quito Voz de los Andes in Spanish 0240 GMT 28 Jan 95

[FBIS Translated Text] Let us explain the contents of the National Mobilization Law announced by the president of the Republic.

It states the following:

To declare the state of national emergency and adopt the following actions in case of imminent external aggression resulting from an international war or serious commotion or internal catastrophe and to notify the National Congress, if in session, or the Court of Constitutional Guarantees.

These are the seven points in the National Emergency Decree:

1. To decree the anticipated collection of taxes and other contributions.

2. In case of international conflict, imminent invasion, or internal catastrophe, invest for the defense of the state or for the solution of the catastrophe all fiscal funds that have been allocated for other purposes except those allocated for health or social assistance.

3. Transfer the seat of government to any point in the national territory.

4. Temporarily close or rehabilitate ports.

5. Establish censorship of the national media.

6. Suspend constitutional guarantees but at no time decree the suspension of the right to protect one's life and physical integrity, decree the expatriation of any Ecuadoran, or order the confinement of a person outside provincial capitals or to an area that is foreign to the adversely affected person.

And the final point of the decree:

7. Declare the national territory a security zone as established by law.

These are the contents of the National Mobilization Law announced by the president of the Republic.

Armed Forces Report Four Attacks by Peru 27 Jan

PA2801035295 Quito Voz de los Andes in Spanish 0234 GMT 28 Jan 95

[Official Bulletin Number 3 from the Ecuadoran Armed Forces Joint Command on 27 January "issued exactly two minutes ago"--read by announcers]

[FBIS Translated Text] Today, 27 January 1995, there were four attacks on positions in Ecuadoran territory. These attacks were repelled by the Ecuadoran Armed Forces.

These incursions clearly and absolutely confirm that the Peruvian forces want to expand the conflict, which was neither initiated nor provoked by the Ecuadoran Armed Forces. This has been reported to the appropriate international organizations.

At 0600 today the attack on Ecuador's Teniente Hugo Ortiz Detachment was repelled. The Peruvian forces have continuously but unsuccessfully tried throughout the day to take that position. The detachment is not in the conflict zone. It has been in the same location for the past 20 years, and it will remain there.

Our soldiers have heroically repulsed constant attacks by the Peruvian forces.

At 0610, at a place known as La Cueva de los Tayos, which as a result of agreements between the sides has been a neutral point for meetings between patrols from the two armies, there was another clash that was also repelled and repudiated by the Ecuadoran Army.

At 1040 [words indistinct] place, another effort was made to overrun the Ecuadoran Army forces, which repelled the attempt.

At 0815, the Ecuadoran Soldado Monge Detachment was bombed. This detachment is located where the Yaupi and Santiago Rivers meet, northwest of Teniente Hugo Ortiz. Soldado Monge Detachment is not in the conflict area either. The Soldado Monge Detachment remains under the control of the Ecuadoran Army.

The border incidents that have been taking place since Thursday 26 January at 1800 hours began in the Southeast Operations Zone, in an unmarked sector of Cenepa Valley.

The Ecuadoran Army constantly occupies and patrols the area, keeping the adversary from making any attempt to occupy that area.

The Ecuadoran Armed Forces, aware of its commitment to the fatherland, will enforce respect for the country's historical national sovereignty and territorial rights.

Army Calls Up Reserves To Form 'Support Brigades'

PA2801060395 Madrid EFE in Spanish 0511 GMT 28 Jan 95

[FBIS Translated Text] Quito, 27 Jan (EFE)—The Ecuadoran Army today issued a mandatory call-up for

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reserves from 1974 and 1975 to form several support brigades that might participate in the armed conflict between Ecuador and Peru. A communique issued tonight says Ecuadorans who performed military service in those years must report to a military post this weekend for assignment to the Reserve Brigades. Meanwhile, military sources in Ecuador have confirmed that Ecuadoran and Peruvian troops continue fighting in several locations along the unmarked border in the Amazon region.

Gaviria Arrives in Quito for Talks With Duran-Ballen

PA2801150895 Madrid EFE in Spanish 1301 GMT 28 Jan 95

[FBIS Translated Text] Quito, 28 Jan (EFE)—Cesar Gaviria, OAS secretary general and former Colombian president, arrived in Ecuador at approximately 0800 today (1300 GMT), but the news media did not have access to the Quito airport.

Gaviria is mediating the Ecuadoran-Peruvian armed border conflict and plans to meet today with the presidents of both countries, Sixto Duran-Ballen and Alberto Fujimori, respectively.

Gaviria Leaves Palace After Meeting Without Comment

PA2801184995

[FBIS Editorial Report] Quito Voz de los Andes in Spanish at 1441 GMT on 28 January interrupted its normal programming to broadcast a live six-minute report by reporters Edwin Chamorro and Leyla Carriel, from the Ecuadoran government palace, on OAS Secretary General Cesar Gaviria's meeting with Ecuadoran President Sixto Duran-Ballen.

Reporter Chamorro begins the report by saying that Gaviria has been in a meeting with President Duran-Ballen from 0815 and that he is scheduled to address the media after the meeting concludes.

Reporter Carriel reports that Duran-Ballen and Gaviria are about to hold a joint news conference concerning the latest incidents on the Peruvian border, and then she notes that Gaviria is walking away from the news conference site. "Apparently," Carriel says, "the president and OAS secretary do not want to talk."

Edwin Chamorro then notes that Gaviria is leaving the government palace through the garage, following a 90-minute meeting with Duran-Ballen.

Reporter Carriel, after unsuccessfully trying to get a statement from Gaviria, reports: "None of the things agreed upon have been fulfilled. The OAS secretary general was, in fact, to hold a news conference with President Sixto Duran-Ballen, but he has left the government palace, and President Duran-Ballen has also refused to comment."

Carriel adds that local and foreign reporters at the government palace are surprised by Gaviria's and Duran-Ballen's decision not to address journalists. Gaviria, she says, "left the government palace through a back door and has not even allowed reporters to photograph him." Duran-Ballen, meanwhile, has returned to his government palace offices, leaving the news media to wait for a possible news bulletin.

Chamorro closes the report by summing up the events at the government palace. He says the secretary of social communications had announced that after the meeting Gaviria would make a statement but would not answer questions. Gaviria, however, left the premises without making any statements whatsoever, presumably heading for the airport to travel to Lima to talk with Peruvian President Alberto Fujimori.

OAS Secretary General To Return to Quito, Meet Duran-Ballen

PA2901020095 Quito Voz de los Andes Network in Spanish 0058 GMT 29 Jan 95

[FBIS Translated Text] We have a last-minute report. OAS Secretary General Cesar Gaviria will return to Quito to meet again with President Sixto Duran-Ballen after meeting with Peruvian President Alberto Fujimori in Lima, government sources have announced.

On Saturday [28 January], Gaviria initiated intense efforts in the search for a peaceful solution to the conflict between the governments of Peru and Ecuador. The conflict has been heightened by confrontations in the undelineated jungle region, which have killed 23 soldiers.

The OAS secretary general, who is facing his first political challenge since he took office in September 1994, will return to Quito where he met for two hours today with President Sixto Duran-Ballen. Gaviria will continue his peacekeeping efforts, despite the fact that Fujimori stated in Lima this afternoon that the OAS and the United Nations need not intervene in a conflict that involves only Peru, Ecuador, and the guarantor countries.

Gaviria's return, which is scheduled for late this evening, was interpreted in local circles as a good sign for his efforts to find a peaceful solution to the conflict.

The situation between Ecuador and Peru was heightened after Ecuadoran military authorities reported that Ecuadoran airplanes had intercepted Peruvian warplanes which overflew El Oro Province.

OAS Secretary Gaviria will return to Quito after meeting this afternoon with Peruvian President Fujimori. He will return late this evening to meet with President Sixto Duran-Ballen. We hope for the best.

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Foreign Minister Praises Gaviria's Mediation Efforts

PA2901150295 Quito Voz de los Andes in Spanish 1239 GMT 29 Jan 95

[Interview with Ecuadoran Foreign Minister Galo Leoro Franco by an unidentified reporter, place and date not given—recorded]

[FBIS Translated Text] [Reporter] Mr. Foreign Minister, how would you characterize the special circumstances that the governments are experiencing at the border?

[Leoro] With regard to the diplomatic efforts that have been made, I would say (?this) has been an extraordinary and interesting day, one that will prove benefitial to the current situation. I say this because of the visit by OAS Secretary General Gaviria, who, aware of the importance of his position, thought it would be advantageous to visit Presidents Duran-Ballen and Fujimori and attempt to resolve the current situation between the two countries.

Gaviria says he is offering his good offices, but in reality [words indistinct] his goal is evidently to also involve that regional organization—through his actions—in the search for peace, which is among the OAS' basic principles and goals. To this end, we cannot but acknowledge the considerable vision with which Mr. Gaviria is fulfilling the duties entrusted to him as OAS secretary general.

We must also be thankful to Gaviria for understanding the severity of the problem and for attempting to end the confrontation, which is claiming human lives, exacting economic sacrifices, fostering uneasiness, and depriving us of the peace that is so necessary for the development of our countries. We must find ways to raise our level of development, and to do this, our governments must distance themselves from serious problems such as these.

Leoro Proposes 'Cease-Fire;' Proposal Not Accepted

PA2801154195 Madrid EFE in Spanish 1524 GMT 28 Jan 95

[FBIS Translated Text] Quito, 28 Jan (EFE)— Ecuadoran Foreign Minister Galo Leoro has proposed to his Peruvian counterpart Efrain Goldenberg a "cease-fire" on the border where the armies of the two countries have been fighting for three days, but the proposal was not accepted.

This report has not been officially disclosed but it was reported by several Quito newspapers and cited in a bulletin of the State Communications National Secretariat (Senacom).

President Meets With Former Presidents, Announces New Clash

PA2801182495 Quito Voz de los Andes in Spanish 1633 GMT 28 Jan 95

[Report by Edwin Chamorro and Leyla Carriel from Carondelet Palace in Quito]

[FBIS Translated Text] [Chamorro] Good morning, dear listeners. We are here at the presidential palace to bring you information on what is happening at the border. President Sixto Duran-Ballen reported that Peru has again attacked Ecuadoran detachments, but our country's Army remains at the border, repelling the attacks perpetrated by our southern neighbor. He has reasserted that Ecuador is not the aggressor country. He made these statements prior to a meeting with former Ecuadoran presidents and vice presidents, whom he summoned.

We note the presence of former Presidents Leon Febres Cordero, Dr. Rodrigo Borja Zevallos, and Dr. Osvaldo Hurtado Larrea. These presidents were elected by our people. The vice presidents who have arrived include Dr. Leon Roldos Aguilera, Luis Parodi Valverde, and Jorge Zavala Baquerizo.

The president of the Republic held a ceremony moments ago in one of the presidential palace's rooms. He thanked them for their participation in a private meeting that began a few seconds ago, to show unity in facing the current crisis. Let us hear his speech and the pertinent information from President Sixto Duran-Ballen after the national anthem of Ecuador was played.

[Begin Duran-Ballen recording] Messrs. former presidents of the Republic of Ecuador, Messrs. former vice president, Mr. Foreign Minister of the Republic, fellow citizens, everyone: In these times, when we live with great intensity [words indistinct] preliminary steps [words indistinct] process of a crisis at the border, it was logical and necessary for the president of the republic to seek the advise of those who previously had—as I currently have—the enormous task, the enormous responsibility of ruling the nation.

We will hold a working meeting with these former presidents as the country is fortunate enough that they are still alive. The same goes for their vice presidents. I have also invited [words indistinct] to the meeting. He agreed to attend the meeting but later sent his apologies. Likewise, we could not possibly invite former Vice President Blasco Penaherrera because he is out of the country. He is currently on a diplomatic mission in Washington... [pauses] at the OAS. However, the rest of the former presidents and vice presidents of the country are here.

I want to meet with them and exchange views on what has been done and what should be done concerning the processes that the Ecuadoran Government has reported to the guarantor countries, international organizations, the OAS, and the United Nations. This will serve as the basis for the discussion of the steps our country must take, and has been taking, to once more fulfill with dignity—but with the assurance that our Armed Forces [words indistinct]. [end recording]

Dear Voz de los Andes listeners, you are listening to President Sixto Duran-Ballen addressing the country

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and, particularly, former presidents and vice presidents of the republic who have arrived at the presidential palace.

[Begin Duran-Ballen recording, in progress] ...the positions we have traditionally occupied. This is quite clear. We have not invaded Peruvian territory. We have defended and protected the positions that we have along a status quo line, an ad hoc line, and which has prevailed for various decades. We are in a part where the border has yet to be defined given the geographic reality. We are operating within what we consider our legitimate rights.

The presence here of former Ecuadoran constitutional presidents and vice presidents—the presence of this group of Ecuadoran citizens who at a given moment had great responsibility and who belong to various national political groups—speaks plenty about Ecuador's current sense of civic-mindness and is a reaction of national unity. Present here are presidents who reached power legitimately, backed by a diversity of political feelings and who did not hesitate for a moment to respond to the president's call for them to be here right now to show the country that we are united. Despite the various differences we may have, in a crisis such as the current one, we can come together and join efforts and minds to look for a solution and adopt a uniform position in the face if this tremendous problem.

For your information, first thing this morning, at 1245 GMT, a new incident took place involving some of the detachments at the source of the Cenepa River. As in the previous incidents, our garrisons have repelled this new attack. Weapons fire was returned and as a result, they have withdrawn, just like they did yesterday, from the various places where the Ecuadoran Armed Forces are maintaining their positions. My categoric instructions to the Armed Forces are not to enter territory beyond the line where (Pocuo) is located.

We are defending the places where we have been for many decades. We have not, as has been said, and I want to say this in front of you distinguished foreign journalists...[pauses] I want to categorically deny that we were the attackers. We have been in these positions, and it was the Ecuadoran forces who were attacked by helicopters, which bombed some of the positions, and by land patrols. We have repelled each and every one of these attacks and we will not back down, we will not cede.

With the participation of friendly countries and international organizations—and we have so stated in response to a new proposal by the group of guarantors—undoubtedly ready to accept a cease-fire, but a cease-fire that will not mean, as it has meant on many past occasions, a setback in Ecuadoran (positions).

As commander in chief of the Armed Forces, I have said this very categorically: We are going to maintain our legitimate positions with the legitimate right we have to be present in those places.

Once more I want to reiterate before the country the Ecuadoran president's recognition of the group of gentlemen citizens present here, who put aside the differences that we had and undoubtedly will continue having in the future. Each and every one of them has been motivated only by the affection for their beloved fatherland and will hopefully emerge with a united position.

I invite the former presidents and vice presidents to please accompany me to the cabinet room where we will hold the private work session. Many thanks for your attendance. [applause]

Speaks After Meeting

PA2801221495 Quito Voz de los Andes in Spanish 2114 GMT 28 Jan 95

[Speech by Ecuadoran President Sixto Duran-Ballen following a meeting with former Ecuadoran Government leaders at the Government Palace in Quito—live]

[FBIS Translated Text] As I said at the beginning of this memorable session, this was an incredible demonstration of the spirit of national unity and civic spirit we have in Ecuador.

We, the former presidents, vice presidents, and foreign ministers of our country, have held a working meeting for many hours. During this meeting, we shared experiences and reviewed the history of our territorial problem. We have especially reviewed the period following the fateful day of 29 January 1942. We reviewed the current situation and the steps that have been taken, and we have described with realism the events that have taken place along the border, both in the region near the mouth of the Cenepa River, where Ecuador has maintained five detachments for a long time, as well as in the area between (Illaupi) and Border Marker No. 19, specifically the towns of Teniente Ortiz and Etsa.

We also reviewed the events that took place yesterday involving the Soldado Monge and Santiago Detachments. The former presidents and vice presidents of our country have displayed generosity in their attitude, which I must recognize before the Ecuadoran people and before journalists who have the obligation of bringing this information to the people, and they have shown absolute support for the national government in this problem that has emerged, which was not caused by us but by the treacherous acts carried out by the Peruvian Government.

Yesterday, Ecuador made public its willingness to accept a group of mediators from the four countries we have summoned—the United States, Argentina, Brazil, and Chile—as well as the other countries that have shown a willingness to contribute to the immediate resolution of this problem. Yesterday, we announced we had accepted a cease-fire without giving up Ecuador's positions, always maintaining Ecuador's traditional right to the positions we have held for decades, and upholding the

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country's rights to an area we have held by virtue of inheritance and other concepts.

The presidents and former presidents have agreed to be called upon by the president of the Republic to once again review the situations that may continue to develop. We will be analyzing everything that needs to be reviewed to maintain our country's dignity and integrity.

The presidents have agreed to do this. The former presidents and vice presidents have all agreed to be called upon by the president of the Republic for consultation. They have generously agreed to come to Quito for new consultations whenever I decide to call on them.

I want to reiterate the patriotic, generous, and worthy spirit they have shown. It will serve as an example for future generations and for future presidents. All of them, forgetting the differences they may have among themselves or with me, have decided to join together to support the national government in order to find the best solution. I believe I represent all of you when I thank them for such a patriotic and firm Ecuadoran attitude shown by this group of gentlemen.

I would like to add that we are pleased to see that we have former Vice President Luis Parodi back with us. We are all pleased to see him once again ready to serve our country. Luis, please receive, on behalf of all of us, congratulations for being here.

I reiterate my gratitude to this group of gentlemen who once served the country and are now ready to continue serving the country.

Thank you, and good afternoon. [applause]

More Than 20 Peruvian, 3 Ecuadoran Soldiers Killed 27 Jan

PA2801180795 Madrid EFE in Spanish 1717 GMT 28 Jan 95

[FBIS Translated Text] Poblacion Shell (Ecuador's Amazon Region), 28 Jan (EFE)— Ecuadoran Colonel Pablo Viteri, commander of Jungle Brigade No.17, today disclosed that at least 20 Peruvian and three Ecuadoran soldiers died on Friday in the armed border conflict with Peru. On the same day, five Ecuadoran soldiers were wounded and one Peruvian soldier captured.

Further on Casualties at Border

PA2801215995 Madrid EFE in Spanish 1831 GMT 28 Jan 95

[FBIS Translated Text] Poblacion Shell (Ecuador's Amazon Region), 28 Jan (EFE)—Ecuadoran Colonel Pablo Viteri, 17th Jungle Brigade chief, today said at least 20 Peruvian soldiers and three Ecuadoran soldiers were killed on 27 January in the border conflict with Peru.

The Ecuadoran Army also had five soldiers wounded on 27 January and captured one Peruvian soldier, Viteri added. He also said he is unaware of the results of skirmishes continuing today in this Amazonian region.

The ratio of casualties is "five to one" in favor of Ecuador, the officer told a group of journalists, including a crew that EFE sent to the conflict zone.

The colonel insisted that all of the clashes of the past few days have occurred in Ecuadoran territory after Peruvian troops crossed the border. According to Viteri, the most recent Peruvian attack occurred this morning at the mouth of the Cenepa River around 0745 local time (1245 GMT).

Peruvian troops also have "threatened attacks and aggression" near the Condor Mountain Range, which has been the scene of several armed conflicts between Ecuador and Peru over the past few decades. Col. Viteri pointed out that all of these threats have been discouraged.

The chief of the 17th Jungle Brigade, which has 2,800 men in the Amazonian region, stressed that 40 percent of civilians living in Macas—the capital of Morona Santiago Province—were evacuated mainly to the Andean city of Cuenca. Civilians from Macara and other border towns also were evacuated.

He explained, however, that Peru has not attacked civilians so far. According to him, some 5,000 armed Ecuadoran Indians are ready to support the Army in the border region. "All Indians from Pastaza and Morona Provinces are well organized in a true resisting force to help in the war efforts," Viteri pointed out.

Meanwhile, he described as a "fabrication" the official Peruvian report that the conflict began after an Ecuadoran helicopter "bombed" a Peruvian sentry post on 26 January.

The officer made these statements to reporters while military planes carrying weapons, food, and other materiel were leaving every few minutes from the Poblacion Shell airport for border positions.

Leoro Surprised by Peru's Diplomatic Position, U.S. Concerns

PA2801200195 Quito Voz de los Andes in Spanish 1255 GMT 28 Jan 95

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco has voiced his surprise at the Peruvian Foreign Ministry's double talk concerning the territorial conflict with Ecuador. In an interview with domestic media, Leoro Franco noted that while the Peruvian Foreign Ministry spoke about its great willingness to find a solution to the problem, the situation along the border reflects a different state of affairs.

The Ecuadoran foreign minister referred to his conversation with his Peruvian counterpart in Bolivia at the beginning of the week, which centered on means to resolve the problems that arose on 9 and 11 January and

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ways to return the situation to normal. During this conversation, the Peruvian foreign minister expressed his willingness to reach an understanding, while at the same time Peruvian military patrols continued their harassment.

Leoro Franco stated: I think the arguments of Peruvian diplomacy must be held responsible for the relations between the two countries. If we cannot achieve complete pacification, as we should have done already, it might be because of causes that are difficult to understand and which, at any rate, are inconsistent with my conversation with Foreign Minister Goldenberg.

Regarding the position adopted by the Rio de Janeiro Protocol guarantor countries, Foreign Minister Leoro said their appeal to reach a peaceful solution and their willingness to offer their cooperation was very important for both countries. I feel that, under the current circumstances, the weight of the opinions coming from countries that have faced similar problems on other occasions will be taken into account, he said.

Regarding the concern expressed by the United States, the foreign minister said this was very important and that this concern was shared by the rest of the guarantor countries, as well as by other American countries.

Answering a question regarding Pachacutec, he said Peru established the Pachacutec Detachment in Ecuadoran territory in 1987 and that this was another case of Peruvian aggression. However, he believes it is not constructive to bring this case up at this time, because it does not benefit anyone, and because it runs against the basic principles for international peaceful coexistence.

Government Accepts Intervention by Rio Protocol Guarantors

PA2801205795 Quito Voz de los Andes in Spanish 1925 GMT 28 Jan 95

[Press release issued by the Ecuadoran National Secretariat of Communication at the Government Palace in Quito on 28 January—read by announcer]

[FBIS Translated Text] The governments of Brazil, Argentina, the United States, and Chile—the guarantors of the Rio de Janeiro Protocol—have proposed the immediate deployment of a mission to the site of the border clashes between Ecuador and Peru to secure an immediate cessation of hostilities.

The Ecuadoran Government has agreed to the intervention of the mission and is willing to provide facilities for the fulfillment of its goals.

The proposal is contained in a communique issued by the guarantor countries, which met yesterday at Itamaraty Palace in Brasilia. The communique deplores the heightening of tensions along the border between Ecuador and Peru, and it calls for the prompt restoration of the agreement in order that a lasting solution can be found to the ongoing dispute.

The Ecuadoran Foreign Ministry agrees with the need for a prompt cessation of any military or nonmilitary activity that may be interpreted as a threat or provocation. In the opinion of the Foreign Ministry, foremost among such activities is the change in the detente that had been maintained in the region of the current conflict.

The ministry also agrees on the absolute urgency of withdrawing forces, as well as the cessation of deployments or operations in the area to prevent clashes. The Foreign Ministry has acknowledged the guarantor countries' offer to form a mission with representatives from those four nations to help the two sides overcome the current problem, and it has announced that it has immediately accepted the offer.

The ministry also has offered its cooperation to representatives from those countries to enable the mission to fulfill its goals in a prompt and efficient manner. The ministry has reiterated its opposition to the numerous aggressions inflicted on Ecuadoran military border detachments and its desire for a prompt and peaceful solution in terms of the regrettable circumstances that have arisen in its relations with its neighbor to the south. The Foreign Ministry hopes to achieve this with the aid of the guarantor countries and with the support of friendly nations. To these countries it has expressed its special gratitude for their concern and good wishes.

AERT Says Media 'at the Disposal' of Government

PA2801214195 Quito Voz de los Andes in Spanish 1755 GMT 28 Jan 95

[Bulletin issued by the Ecuadoran Radio and Television Association in Quito on 28 January; read by reporter Edwin Chamorro at the Presidency of the Republic—live]

[FBIS Translated Text] In light of the events of which the public is already aware—events caused by Peruvian actions—the Ecuadoran Radio and Television Association [AERT] wishes to express the following:

1. Ecuador is a country that loves peace; in turn, it has abided by this principle throughout its history.

2. The AERT regrets the aggressive position assumed by the Peruvian Government and Armed Forces—a position that adversely affects Ecuadoran sovereignty and the basic harmony that must exist among the peoples of the continent.

3. The AERT calls on the country's forces to support, with iron-clad solidarity, the dignity and honor that all Ecuadorans are committed to display.

4. It also asserts that all media belonging to the AERT are at the disposal of the country and support the country's determination to defend its position.

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5. The AERT cordially asks the international community, especially the media, to express solidarity with the Ecuadoran people who are the victims of new aggression by their southern neighbor. The AERT emphasizes its devotion to peace and brotherhood among the peoples as the only means of helping the southern nations advance in their development.

[Signed] AERT President (Raul Izurieta Mora Bowen)

Joint Command Communique Updates Border Situation

PA2801225095 Quito Voz de los Andes in Spanish 1946 GMT 28 Jan 95

["Official Information Communique No. 4" issued by the Ecuadoran Armed Forces Joint Command in Quito on 28 January—read by announcer]

[FBIS Translated Text] The Armed Forces Joint Command informs the country of the following:

Starting at 0700 [1200 GMT], attacks began against the Teniente Ortiz Military Detachment, thereby exposing Peruvian efforts to capture targets outside its territory. Ecuadoran Army soldiers at the Teniente Ortiz Detachment repelled the attack and counterattacked the Peruvian forces, and they managed to hold their positions. There were casualties, which are being evaluated and counted in the area of operation.

At 0745, Ecuadoran and Peruvian forces clashed again in the area known as Cueva de los Tallos. Reports say two Peruvians were wounded in the clash. At 1115 hostilities restarted near the Teniente Ortiz Detachment, which came under mortar fire. At 1205, a squadron of Peruvian airplanes was detected overflying the limits of our airspace in El Oro Province. The Ecuadoran Air Force deployed its interceptor fighter jets, which forced the Peruvian squadron to return to its own territory. The Ecuadoran Air Force is patrolling the area.

6. [as heard] There has been no penetration of Peruvian forces in any area along the front. Morale among Ecuadoran troops is very high and they are maintaining their positions in the conflict zone. The rest of the border has been placed on a state of permanent alert.

[Signed] Armed Forces Joint Command

Further on Communique

PA2801223295 Madrid EFE in Spanish 2000 GMT 28 Jan 95

[FBIS Translated Text] Quito, 28 Jan (EFE)—The Ecuadoran Air Force (FAE) deployed fighter planes at noon today to force Peruvian airplanes to return to their territory, the Ecuadoran Armed Forces Joint Command has reported.

"At 1205 (1705 GMT) a squadron of Peruvian aircraft overflew the border in El Oro Province (southern Ecuador on the Pacific Coast)," a communique by the Joint Command states.

"The FAE deployed its fighters, which forced the Peruvian aircraft to return to their own territory. The FAE is patrolling the area," the communique added.

The same document notes that at 0700 local time (1200 GMT) Peruvian attacks intensified against the Ecuadoran "Teniente Ortiz" Border Detachment, thereby confirming the Peruvian attempt to achieve objectives that are outside the disputed area.

This detachment, based north of the mouth of Cenepa River near the Condor Mountain Range in mountainous and jungle terrain along a nondelineated region of the border between the two countries, has come under fierce attacks from Peruvian forces since the border conflict erupted Thursday [26 January], according to reports by the Ecudoran Government.

"Ecuadoran Army troops in the 'Teniente Ortiz' Detachment repelled the attack and counterattacked Peruvian forces, holding their ground. There have been casualties, which are being assessed and evaluated," the communique added.

This morning, Colonel Pablo Viteri, an Ecuadoran military officer in the conflict zone, told a special correspondent from EFE and other reporters that at least 20 Peruvian and three Ecuadoran soldiers were killed in the fighting in the border region.

The Joint Command communique notes that "at 0745 hours (1245 GMT), Ecuadoran and Peruvian forces clashed again in the Cueva de los Tayos sector. It was learned that two Peruvians were wounded in the clash."

At 1115 (1615 GMT), hostilities were again directed at the "Teniente Ortiz" Detachment, especially with "mortar fire," the communique added.

"There has not been any penetration of Peruvian forces in any sector along the front. The morale of the Ecuadoran troops is very high and they are holding their ground in the conflict. In the rest of the border region, the situation remains in a state of permanent alert," the document concluded.

Official Denies Peruvians Ordered To Leave Country

PA2801225995 Quito Voz de los Andes in Spanish 2139 GMT 28 Jan 95

[Report by German Carvajal from the Government Palace in Quito—live]

[FBIS Translated Text] Enrique Proano, Ecuadoran secretary for social communications [name and title as heard], has just denied that the government has decided that Peruvian citizens currently in Ecuador must leave the country. Furthermore, he said no Peruvian airplane whatsoever has been denied landing rights here.

[Begin recording] [Proano] Good afternoon, ladies and gentlemen. I have asked for your attention to clear up

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certain reports in the media. One thing is that reports have not stated that the evacuation of Macara Municipality actually involves a very small part of the population which has voluntarily moved as a preventive measure, just in case something happens. When you reported the alleged evacuation, it seemed to be a military or predetermined operation, and this is just not true. President Sixto Duran-Ballen was very clear yesterday during a meeting with journalists when he said that it was just a very small portion of the population that was leaving the town to seek refuge elsewhere.

It is not true, ladies and gentlemen, that any Ecuadoran official has ordered Peruvian citizens currently in Ecuador to leave. I repeat: This is not true. There is no such mandate ordering Peruvian citizens living in Ecuador to leave the country. It is also not true that we have prohibited Aeroperu or any other Peruvian airline from landing in Ecuador. These reports are totally false and misleading.

Finally, I'd like to state that the vice president did not attend the meetings held between the president and former presidents and vice presidents because he went to Colombia on official business with Deputy Andres Vallejo and journalist Benjamin Ortis, the director of HOY newspaper.

[Unidentified reporter] Could you comment on...

[Proano, interrupting] I have no further comments. That is all I have to say at this time. [end recording]

Minister Says Government Striving To Avert War

PA2801231795 Quito Voz de los Andes in Spanish 1950 GMT 28 Jan 95

[FBIS Translated Text] Government Minister Abraham Romero has issued a press release in which he appeals to the civic conscience of all Ecuadoreans. Romero called on all Ecuadoreans to become informed about the situation the country is experiencing along its southern border and to unite to defend its territorial integrity.

After President Sixto Duran-Ballen last night declared a state of emergency and ordered a national mobilization, Romero said the government is using all diplomatic resources to avert a war, which would only engender deaths and backwardness in both nations.

Romero said now is the time for compatriots of all social, religious, political, and ideological classes and races to put aside personal, regional, and political prejudices to make our southern neighbor respect what legally and rightfully belongs to us—an outlet to the great Amazon River.

The minister greatly welcomed the presence in our country of OAS Secretary Cesar Gaviria, as well as the patriotic spirit shown by former Presidents Oswaldo Hurtado Larrea, Leon Febres Cordero, and Rodrigo Borja Cevallos, who have contributed their knowledge and experience with the civic spirit all Ecuadorans should have.

He said the instructions contained in the Emergency and National Mobilization Decree have already been handed out to ministers and governors, as well as to border officials to ensure that the system of controls over foreign citizens along the southern border and other strategic areas is implemented.

The government minister said it is important to note and recognize the way thousands of young Ecuadoreans have reacted to the call made by the Armed Forces and the entire country for them to serve not only the fatherland, but also to seek the attainment of a lasting peace that can allow future generations to enjoy the paradise of peace and harmony that has always characterized our country.

Foreign Ministry Says Rio Protocol 'Unenforceable'

PA2801235195 Quito Voz de los Andes in Spanish 1920 GMT 28 Jan 95

[Report by German Carvajal from the Presidency of the Republic—live]

[FBIS Translated Text] According to a document that the Ecuadoran foreign relations minister made public today, the topographical reality of the Amazonian region lying between the Zamora and Santiago Rivers is different from the reality outlined in the Rio de Janeiro Protocol; therefore, this treaty is unenforceable.

The Conagos, Teniente Hugo Ortiz, Soldado Monge, Cueva de los Tayos, and Etsa Detachments are located in an area that has yet to be demarcated. Peruvian military forces have attacked these detachments within the past few days. The aforementioned protocol, which Peru and Ecuador signed in 1942, stated that the border in the area constituted a divortium en aquarum—a geographical means by which rivers are delimited. In 1945, however, the two countries' technical commissions that were establishing the limits realized that such an element did not exist. Later in 1947, the U.S. Air Force discovered a change: There was a major river system that was independent from the Cenepa River and which covered more than 190 km.

According to the Foreign Ministry document, the Cenepa River begins in the northern foothills of the Condor Mountain Range and joins with the Maranon River. The document also stated that if the Cenepa River covers such a large territory, then it is obvious that there are two main water boundaries: the boundary lying between the Cenepa and Zamora Rivers and the one lying between the Cenepa and Santiago Rivers. Neither of these two boundaries has been used as a borderline, according to the protocol.

The unenforceability of the protocol is a legal verity derived from the topographical fact that emerged during its execution, and its unenforceability does not run

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counter to the principle of faithfully complying with international agreements, the document stated. If we fail to consider the unenforceability of the protocol, or if we refuse to try to prove its validity, then we will be ignoring the truth derived from the treaty, thereby rejecting the treaty itself and unilaterally overriding its provisions based on the whims of only one of the parties involved—namely, the stronger and most aggressive party.

The document noted that Peru has traditionally upheld that unenforceable treaties are null and void. This is the same position Peru adopted regarding the Ancon Treaty signed with Chile and the Salomon-Lozano Treaty signed with Colombia.

As a result of the Zamora-Santiago dispute, the borderline the 1942 Protocol imposed on Ecuador was not drawn along the Maranon River, over which Peru recognized it has no rights. On the other hand, Ecuador could legally demand possession of this area, because it held sovereign control of this area for centuries prior to the signing of the protocol, and because this right fails to adversely affect the protocol which cannot be enforced in this area, the Foreign Ministry document concluded.

Congress Commissions Statement Condemns Border Conflict

PA2901014295 Quito Voz de los Andes in Spanish 2330 GMT 28 Jan 95

[FBIS Translated Text] We have an official statement issued by the congressional Permanent International Affairs Commission and the Amazon Affairs and Border Development Commission. They condemn the Peruvian aggression, which endangers regional peace in violation of international principles of coexistence and the peaceful resolution of conflicts.

They reiterate the traditional Ecuadoran position regarding territorial conflicts, which has been and always will be one of peace and in keeping with the norms of international law.

Likewise, they call on the international community to intervene to achieve an immediate and lasting peaceful resolution of the conflict, not only in favor of the interests of both peoples, but also to consolidate peace in the hemisphere. They point toward the agreements reached by the two countries in international forums, as well as the international agreements that require the use of mechanisms to find peaceful solutions to conflicts among states.

They reiterate their firm defense of Ecuador's rights in the Amazon region and of its territorial integrity in view of the Peruvian aggression. They reject and denounce the expansionist policy that has always been applied by that country against Ecuador. The Peruvians first use their strength to illegally occupy the territory and then they invoke principles of peaceful coexistence among peoples. They also ask the OAS and the United Nations, through their secretaries general, to use their international authority for the suspension of the hostilities.

They appeal to the Latin American parliaments to intervene before the governments of their respective countries in order to effectively observe the norms of regional peace and cooperation.

This is a report from the Permanent International Affairs Commission and the Amazon Affairs and Border Development Commission.

The Permanent International Affairs Commission and the Amazon Affairs and Border Development Commission add the following:

They appeal to parliamentary organizations to take action to avoid bloodshed between brother countries. They denounce Peru's aggression before the Andean, Latin American, and Amazonian organizations, because these actions paralyze all efforts toward integration processes and will lead to our continent's permanent underdevelopment. They reaffirm the unity of all Ecuadoreans in the defense of our national sovereignty and the preservation of our territorial integrity. They also firmly support the efforts in this regard by other government organizations.

This was signed in Quito on 28 January 1995 by Deputy Pio Oswaldo Cueva, chairman of the Permanent International Affairs Commission, and Deputy German Mancheno, chairman of the Amazon Affairs and Border Development Commission.

Communique Says Peru Using U.S. Helicopters Along Border

PA2901021495 Quito Voz de los Andes in Spanish 0043 GMT 29 Jan 95

["Official Information Communique No. 9" issued by the Ecuadoran Armed Forces Joint Command in Quito on 28 January—read by unidentified reporter at the Presidency of the Republic]

[FBIS Translated Text] The Armed Forces Joint Command informs the nation of the following:

The Peruvian Armed Forces are employing CH-47 Chinook and (?Bell) 212 helicopters in the conflict zone. These helicopters have U.S. license plates [as heard] and were donated by that country to be used in the fight against drug trafficking. The Joint Command is filing the corresponding complaint through diplomatic channels and voices its protest over the manner in which the Peruvian Armed Forces are carrying out these operations with resources that do not belong to them.

At 1215, a Peruvian fighter-bomber flew nine miles into Ecuadoran territory. The Ecuadoran Armed Forces intercepted it, and it then returned to its territory.

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In general terms, low-intensity actions were carried out on 28 January in the area of conflict; however, one Peruvian soldier was captured during clashes that took place earlier in the morning at Cueva de los Tayos. Other soldiers left 11 combat packs and their equipment in the area, including two rifle grenades and clips. This materiel has been taken to Quito to be displayed to people.

Our troops hit a Peruvian helicopter that overflew the (Tuhinza) area on the morning of 28 January. It quickly returned to its country. The Ecuadoran Soldado Monge Detachment was bombed during the day. This detachment is not located in the conflict zone.

During the second day of operations, the Ecuadoran Army continues to defend national sovereignty, and the Armed Forces remain on alert along the border. The morale of the forces remains high, and civilians have responded to the mobilization decree in a patriotic and strong fashion. There is only one fatherland, and its children will defend it with one fist.

[Signed] Armed Forces Joint Command

[Dated] Quito, 28 January 1995, at 1925

Pope, Bishops Conference Urge End to Border Dispute

PA2901025095 Quito Voz de los Andes in Spanish 0053 GMT 29 Jan 95

[FBIS Translated Text] Pope John Paul II today called on the Ecuadoran and Peruvian Governments to suspend hostilities and seek a reasonable solution through dialogue. John Paul II asked both sides to immediately suspend all acts of hostility, to exhibit restraint in their actions and words, and to continue with the dialogue as the only reasonable means to peacefully resolve the dispute. The pope said this in a message sent via its Nunciature in Ecuador.

Meanwhile, the Ecuadoran Bishops Conference sent a message to the president of the Peruvian Bishops Conference, Augusto Vargas Alzamora, saying the territorial disputes that periodically emerge between both countries put human lives at risk and squander resources needed to take care of diverse needs, especially those of the poor. In the message sent by the Ecuadoran Bishops Conference to the Peruvian Bishops Conference, the bishops of Ecuador invited their compatriots and Peruvian brothers to create a favorable atmosphere to find a definitive, lasting, and just solution to the problem.

Peru Attacks With Mortars; Helicopter Gunships Respond

PA2901025995 Madrid EFE in Spanish 0016 GMT 29 Jan 95

[FBIS Translated Text] Macas (Ecuadoran Amazon Region), 28 Jan (EFE)—Colonel Jose Grijalva, commander of one of the Ecuadoran Army's jungle brigades, has said Peruvian forces today opened fire with mortars and Ecuador responded with its helicopter gunships.

He pointed out that his warplanes have not yet had to go into action and that, generally speaking, fighting has been concentrated in the Cenepa River region. The Cenepa is a tributary of the Amazon that flows along an undefined section of the Amazon border between Ecuador and Peru.

Grijalva said the "situation is stable" and his men "will not take a single step backward. Unlike the Peruvians, who are fighting out of selfishness and arrogance, we Ecuadorans are fighting for our country's dignity."

The military leader told an EFE correspondent, who was with a group of journalists touring the conflict zone, that "our Armed Forces will not forsake their country. Nobody will move from his post. It is not true that Peruvian forces have taken the Coangas sector. Their troops have entered Ecuadoran territory but have been forced to retreat."

The Ecuadoran colonel argued that his country "respects Peruvian territory, which is not the case with Peruvian soldiers."

Bank Superintendent Reports Bank Activities Normal

PA2901034595 Quito Voz de los Andes in Spanish 0045 GMT 29 Jan 95

[FBIS Translated Text] We have a statement by Bank Superintendent Ricardo Munoz Chavez, who a few minutes ago spoke with journalists at the Presidency.

[Begin recording] [Munoz] Bank activities have been normal. Naturally, there are interest rate fluctuations which can happen under normal circumstances. At this time, however, banking activities are normal. The news I have is that cash withdrawals through the country's automatic teller machines are normal. There is no panic that might create a difficult situation. I want to make one thing clear. I want to clear up a rumor. I have notified all of the country's banks, both public and private, telling them that on Monday, 30 January, all banks will open as usual. All banks will open as usual on Monday, 30 January.

[Unidentified reporter] There are rumors, as well as confirmed reports, that people are withdrawing their money, especially in banks close to the border region.

[Munoz] There may be a fear among the people living close to the border. This is normal, but it is not a panic which would represent a lack of support for the permanent interests of the country. I am calling on all Ecuadoreans at this time of crisis. It is a crisis that should teach us great and positive lessons. I believe we received the first lesson this morning. Ecuadoreans must know that when the country is in danger we should set our differences aside. I believe businessmen will keep the

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interests of the country in mi... before their own personal interests. The interests of the country require the people to remain calm. There should be confidence in the governing of the country. Also, the president of the Monetary Board has explained that we do not have a crisis in Ecuador.

[Reporter] [Words indistinct]

[Munoz] Those are rumors. They are only rumors that are being spread. Under these circumstances, the best thing we can do is not to believe the rumors.

[Reporter] [Words indistinct]

[Munoz] Fortunately there is some of that. I firmly believe we will continue to experience it. [end recording]

Communique Lists Peruvian Incursions

PA2901044295 Quito Voz de los Andes in Spanish 0310 GMT 29 Jan 95

["Official Information Communique No. 8;" place and date not given—read by announcer]

[FBIS Translated Text] An attack perpetrated against the Teniente Hugo Ortiz Detachment was repelled at 0600 today. Peruvian Forces tried to overrun the detachment at various times during the day but failed.

The Teniente Hugo Ortiz Detachment is not inside the disputed area. It has been there for the past 20 years and will remain there as always. Our soldiers have heroically repelled the attacks by Peruvian forces.

The second attack took place at 0610 this morning at a place called La Cueva de los Tayos, which by agreement of both sides has remained a neutral meeting place for the patrol forces of both armies.

Another clash took place at 1040 in the same place, but it was repelled. The Peruvians once again attacked Ecuadoran Army forces, which repelled the offensive.

As far as we know at this time, the last attack took place at 1115. The Soldado Monge Detachment was bombed. It is located at the intersection of the Yaupi and Santiago Rivers, northwest of the Teniente Ortiz Detachment, which is not inside the disputed area.

The aforementioned detachment remains under the control of the Ecuadoran Army.

The border incidents that began at 1000 on 26 January 1995 have been taking place in the southeast operations region—an area that has not been delimited in the Cenepa River Valley.

The Ecuadoran Army is occupying and patrolling the area to prevent the adversary from making any attempts to occupy it. The Ecuadoran Armed Forces, aware of their duty to defend the fatherland, will ensure that national sovereignty, as well as the territorial rights that have historically belonged to Ecuador, are respected.

Vice President Visits Colombia To Seek Support

PA2901160195 Quito Voz de Los Andes in Spanish 1200 GMT 29 Jan 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Santa Fe de Bogota, Colombia—Ecuadoran Vice President Alberto Dahik Garzzosi said yesterday that Quito's willingness to accept mediation in its territorial dispute with Peru is evidence that Ecuador is not the aggressor in this conflict.

The vice president added, however, that Ecuador will remain firm in the defense of its border.

Dahik, who was visiting Colombia to explain and obtain support for Quito's position in the conflict, explained that his Colombian counterpart, Humberto de la Calle, agreed to begin talks with respect to support for Ecuador. Dahik, however, refrained from providing details about the issue.

During a televised interview, the Ecuadoran vice president expressed his appreciation to President Ernesto Samper for the Colombian Government's efforts, such as Vice President De la Calle's proposal to begin talks related to Colombia's cooperation and support for Ecuador.

Answering questions related to reports that Peruvian President Alberto Fujimori rejected UN and OAS mediation, Dahik replied: Peru's rejection of those who seek to mediate, its refusal to accept an Ecuadoran proposal related to Vatican arbitration, and its most recent attitude of rejection are proof of which country is seeking a peaceful solution and which country is hampering peaceful negotiation of the issue.

Army Urges Residents To Join Struggle if Need Arises

PA2901164895 Paris AFP in Spanish 1449 GMT 29 Jan 95

[FBIS Translated Text] Macas, Ecuador, 29 Jan (AFP)—Today, Sunday, the Ecuadoran Army has been urging the residents of the Amazon province of Morona Santiago to join, if the need arises, a struggle against neighboring Peru, which it described as an "instigator and aggressor" for having attacked military detachments on the Ecuadoran border for expansionist purposes.

AFP's special correspondent today saw how Ecuadoran soldiers were distributing flyers among the residents of the region, urging them to "go forward to meet with destiny, justice, and the inheritance of our Amazon rights."

One of the flyers ends with "United with a single ideal: the fatherland—Ecuador!"

Another flyer said: "Ecuadorans, the Peruvian aggressor has lit the flame of expansionism, extending its tentacles

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to our Condor mountain range and to the Cenepa river basin, which belong to us by right and by inheritance."

The flyer then adds: "We must not allow this! Let us defend our territory!"

In the same manner, the soldiers were painting "patriotic" slogans on the walls of homes in the area to further incite the civilian population who, in turn, have expressed their determination to face the "Peruvian aggressors."

The new phase of confrontation began on 9 January between Ecuadoran and Peruvian soldiers, who accused one another of aggression while they were patrolling territories in the Condor mountain range, which the two countries consider their own. (The Condor mountain range, located east of the Ecuadoran Amazon provinces of Morona Santiago and Zamora Chinchipe, is a border region that has not yet been demarcated.)

Opposition Parties Express Support for Government

PA2901165595 Quito Voz de los Andes in Spanish 1200 GMT 29 Jan 95

[From the "Voz Andes Newscast"]

[FBIS Translated Text] Following the deterioration of the territorial conflict with Peru, the Ecuadoran opposition decided to set aside its differences with President Sixto Duran-Ballen and fully support the government.

Leading opposition parties such as the Social Christian Party [PSC] and the Ecuadoran Roldosists Party [PRE] decided to maintain a political truce following the escalation of clashes between Ecuadoran and Peruvian troops.

In a note sent to President Duran-Ballen, PSE leader Jaime Nebot highlights: We will maintain a patriotic political truce until Ecuador is no longer confronting dangers.

Government Orders Resumption of Classes Despite Emergency

PA2901170095 Quito Voz de los Andes in Spanish 1200 GMT 29 Jan 95

[From the "Voz Andes Newscast"]

[FBIS Translated Text] The Ecuadoran Government ordered the resumption of classes as well as all school activities as of tomorrow, Monday, despite the state of emergency decreed as a result of the worsening of the military confrontation with Peru.

Joint Command Reports 'Massive Attack' by Peru

PA2901172895 Quito Voz de los Andes in Spanish 1707 GMT 29 Jan 95

[Live relay by German Carvajal Torres from the Presidency of the Republic]

[FBIS Translated Text] Attention, please. We have a last-minute report. The Joint Command of the Armed Forces informs the country:

1. Today at 1000 hours, Peruvian Armed Forces began a massive attack in the area of the conflict, particularly on the Ecuadoran detachments of Soldado Monge, Teniente Ortiz, Coangos, and Cueva de los Tallos, using mortar fire, with support from helicopters and the Peruvian Air Force.

2. The Ecuadoran Army is struggling with all the means at its disposal to repel the enemy attack, with the support of the airplanes of the Ecuadoran Army and Air Force.

This communique is signed by the Joint Command of the Armed Forces.

Government Denies Mistreating Peruvian Reporters

PA2901180895 Quito Voz de los Andes in Spanish 1630 GMT 29 Jan 95

[Report by German Carvajal and Edwin Chamorro from the Ecuadoran Government Palace]

[FBIS Translated Text] [Begin live relay] [Carvajal] We do not have much to report from the Government Palace. There was a brief news conference a moment ago.

Edwin Chamorro has a report on what Enrique Proano, national secretary for social communication, said at this news conference.

[Chamorro] Yes, German. Secretary Proano has denied some reports from Lima, Peru. Let us listen to the official report given a few minutes ago. [end relay]

[Begin Proano recording] Good morning, reporters. I request your attention to categorically deny reports from Peru that in our country, especially in Quito, Peruvian journalists have been mistreated.

That is absolutely untrue. This report is part of the misinformation campaign being waged by our neighbor to the south. This past Friday, as national secretary for state information, I authorized the entry of Peruvian journalists. I signed an agreement with customs to see that their equipment was allowed in. They have been given our cooperation so they can do their job. We have acted in reciprocity for what they did for several of you who went to Lima before covering the foreign ministers meeting in Santa Cruz, Bolivia.

I want to make it clear that this report, which is intended to turn the Peruvian media against Ecuadorans, is absolutely false. That is the first report.

I have been informed by telephone that some radio station has said that the president is to fly over the conflict area. There is no report on this. There is no official report on this.

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That is what I wanted to tell you for the time being. I want to add that we are considering the possibility of the president going to the summit in Cumana, but nothing is definite. I am telling you this in response to the demand for information and to the questions several of you have asked.

We will be in contact with you throughout today and for as long as necessary. Thank you very much. [end recording]

Country Reiterates Acceptance of Military Observers

PA2901182895 Mexico City NOTIMEX in Spanish 1732 GMT 29 Jan 95

[FBIS Translated Text] Quito, 29 Jan (NOTIMEX)—Ecuador today reiterated its acceptance of the proposal by Argentina, Brazil, Chile, and the United States, the guarantors of the 1942 Rio de Janeiro Protocol, to send military observers to the conflict zone with Peru.

In a communique issued Sunday, the 53d anniversary of the signing of the Rio de Janeiro Protocol establishing border limits, the Ecuadoran Government said a cease-fire should be "total and simultaneous."

Peruvian and Ecuadoran troops have been engaged in clashes in an undemarcated area of the Condor Mountain Range since last Friday. According to Ecuadoran sources, 20 Peruvian and three Ecuadoran soldiers have died in those clashes.

The Rio de Janeiro Protocol, signed on 29 January 1942 in the capital of Brazil at that time, ended an armed conflict between Peru and Ecuador and cost Ecuador more than 200,000 square km of territory.

The protocol does not address geographic landmarks along a 78-km section of the Condor Mountains, which impedes the complete demarcation of the area, a site of continuous confrontation between troops of the two countries.

In a communique issued this Sunday, the Ecuadoran Foreign Ministry said "the country is being attacked again, an action the people and Government of Ecuador reject and condemn."

The official note adds that "to reestablish peace, the Ecuadoran Government has been holding talks with Peru and has accepted the proposals of Argentina, Brazil, Chile, and the United States for an immediate cease-fire."

A communique issued by the Ecuadoran Presidency on Saturday evening stated that "Ecuador accepts the presence of military observers on the battlefront, as the representatives of the guarantors of the Rio de Janeiro Protocol have suggested."

According to the Foreign Ministry, the purpose of this decision is to allow them (the observers) to verify the truth about the Ecuadoran-Peruvian border; that is, that they verify who the aggressor really is.

President Refuses Cease-Fire With Conditions

PA2901185295 Quito Voz de los Andes in Spanish 1759 GMT 29 Jan 95

[Speech by Ecuadoran President Sixto Duran-Ballen from the balcony of the Presidential Palace in Quito—live]

[FBIS Translated Text] Fellow citizens: I am very proud of my people, of the Ecuadorans, who yesterday, through former presidents, vice presidents, and other former officials, demonstrated that whenever our integrity and our sovereignty is at stake we are united before the world and before those who want to offend us. [loud cheering and shouts of "Ecuador! Ecuador!"]

Twenty-four hours after the events began, the mediation commission asked Ecuador if it would accept a cease-fire that would involve demilitarizing an area and withdrawing to other towns. I said no. I said no. [loud shouting]

I said no to a withdrawl. This is what we have done over the past 164 years of our republican history. Whenever something like this happens, Ecuador is asked to withdraw. This time we will not withdraw. [loud shouting]

A foreign correspondent told me we are the aggressors. I told him: El Condor is Ecuadoran territory; Tayos is Ecuadoran; Coango is Ecuadoran; Base Sur is Ecuadoran; [word indistinct] is Ecuadoran; Teniente Ortiz in [words indistinct] is Ecuadoran; Soldado Monge is Ecuadoran.

Which of these names, journalist, involves a Peruvian detachment or city or town? This means Ecuador is the one being attacked. None of these places is a Peruvian position. We are not the aggressors.

Traditionally we have been asked to withdraw: We will not withdraw! Our Armed Forces, which represent the Ecuadoreans, are firm, knowing that their commander in chief, the Armed Forces staff, the cabinet, and the National Security Council have decided to remain firm in our positions.

We will accept an unconditional cease-fire only, a cease-fire that will see us through legal mechanisms to peacefully and honorably seek the establishment of borders.

We will not withdraw, Ecuador! [loud shouts]

Thank you for this support for Ecuador! [loud shouts: "Ecuador!"]

Defense Minister, Military Leaders Meet With President

PA2901185495 Quito Voz de los Andes in Spanish 1659 GMT 29 Jan 95

[Report by German Carvajal Torres and Edwin Chamorro Herazo from the Presidential Palace—live]

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[FBIS Translated Text] Welcome to all our listeners around the world. A few minutes ago the defense minister entered the Government Palace. Edwin Chamorro has the story.

[Chamorro] In effect, German, National Defense Minister General Jose Gallardo has entered the Presidential Palace, presumably to meet with the president of the Republic. He is accompanied by ranking military leaders and said that everything reported is based on head counts [balances]. Here is what Defense Minister Gallardo had to say:

[Begin recording] [Gallardo] This is based on duly verified head counts. Our military personnel are fulfilling their duty to the fatherland on the border. That is the only information I can give you.

[First unidentified reporter] Were there any new attacks this morning?

[Second unidentified reporter] Is there any new information regarding casualties?

[Gallardo] I repeat, gentlemen: The information has to be released via bulletins. I ask you to please try to understand that. Good morning. [end recording]

[Chamorro] German, this is what the defense minister had to say as he entered the Carondelet presidential palace at noon today.

Armed Forces Report Downing of Peruvian Helicopter

PA2901193495 Quito Voz de los Andes in Spanish 1902 GMT 29 Jan 95

[Report by Edwin Chamorro Herazo from the Presidential Palace—live]

[FBIS Translated Text] Here is a news bulletin from the Armed Forces Joint Command:

Today, 29 January, at 1000 hours, as a result of the massive attack initiated by the Peruvian Armed Forces, the following incidents have occurred:

1. Five Peruvian helicopters attacked the Coangos military detachment. Our soldiers maintain control over this position and have suffered no casualties. At the same time the Peruvians attacked the Cueva de los Tayos detachment. Our soldiers remain in this location.

2. A Peruvian patrol attacked the Teniente Ortiz detachment. Our soldiers repelled the attack and maintain their position. Our detachment noted the following casualties: Seven Peruvians were killed and one Ecuadoran soldier was wounded.

3. A Peruvian helicopter attacked the Teniente Ortiz Detachment but was downed by antiaircraft fire from the Ecuadoran troops.

4. The Ecuadoran Etsa Detachment was attacked by Peruvian helicopters. This attack was repelled with antiaircraft fire.

This has been News Bulletin No. 7 [as heard] from the Ecuadoran Armed Forces Joint Command.

Border Towns Evacuated in Readiness for Intensified Combat

PA2901200695 Hamburg DPA in Spanish 1727 GMT 29 Jan 95

[FBIS Translated Text] Macara (Ecuador), 29 Jan (DPA)—The intensity of combats between Ecuadoran and Peruvian military forces increased today, 48 hours after clashes began on at least two fronts, according to reports in this Ecuadoran border city, which was partially evacuated last night.

Women, children, and the elderly were transferred to rural areas in light of the likelihood of aerial attacks after two Peruvian military planes overflew Macara the previous day, according to residents' reports, which have not been officially confirmed.

The atmosphere is tense along the border, especially in areas near the conflict zone, a 78-km strip in the middle of the Amazon jungle where the border has not delimited due to the imprecise protocol signed exactly 53 years ago on 29 January 1942.

So far Ecuador has acknowledged that three soldiers are dead and five are wounded, according to a military bulletin issued at midday on Saturday. Peru has not yet reported its casualties.

The intensification of combat comes following the failed mediation of OAS Secretary General Cesar Gaviria, whose mission was rejected by Peruvian President Alberto Fujimori. Fujimori has exclusively tasked the guarantor countries of the 1942 protocol to intervene in the conflict.

The United States, Brazil, Argentina, and Chile have already requested a "total and simultaneous" cease-fire, a proposal accepted by Ecuador, which also agreed to allow foreign military observers in the area of conflict. Peru has not yet replied to the guarantor countries' proposal.

Due to the risk of an intensification of the conflict, hospitals in southern Ecuador near the border with Peru were declared on a state of alert, and all medical and paramedical personnel have been ordered to immediately report to work. Patients who are not in serious condition are to be discharged.

In Macara, a city 500 meters from the border, war preparations are hardly noticeable, but streets are virtually empty following the previous day's partial evacuation.

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Other small villages in the area were also evacuated over the past few hours, while in Machala, capital of El Oro Province, Ecuador's southernmost province, a march was held today in support of Ecuadoran military forces. The military forces have express orders not to cross the status quo line, which corresponds to the positions maintained in the area of conflict since the last decade.

Armed Forces Deny Peruvian Reports That Military Dislodged

PA2901203495 Quito Voz de los Andes in Spanish 1831 GMT 29 Jan 95

[Statement by Ecuadoran Social Communications Secretary Enrique Proano from the Presidential Palace—live relay]

[FBIS Translated Text] The Armed Forces Joint Command has requested that I categorically deny a report circulating in Peru to the effect that the Peruvian Army has dislodged the Ecuadoran Army from positions that the Peruvians claim as theirs.

I must unequivocally inform you that the Ecuadoran Army is resisting and firmly maintaining its border positions. I want to reiterate this information to foreign and local reporters. We are denying a report received by fax from one of the international communication companies to the effect that the Ecuadoran Armed Forces have been dislodged from important positions in eastern Ecuador, which the Peruvians claim to be theirs. This information is totally false; in a few minutes we will issue an Armed Forces Joint Command bulletin on this subject.

I told you a few minutes ago, colleagues, that there is a strong process of disinformation under way. On no account are we to accept this or fall into a similar process of disinformation and allow ourselves to be impressed or influenced.

The Ecuadoran Armed Forces are definitely maintaining their positions, as Architect Sixto Duran-Ballen, constitutional president of the Republic, has already told the Ecuadoran people who assembled across from the national palace to support the work of our brave Ecuadoran soldiers and the diplomatic efforts of the Ecuadoran Government to find a peaceful solution to this conflict. Many thanks, gentlemen.

Army Says Peruvian Forces Attacking Outside Disputed Area

PA2901205895 Madrid EFE in Spanish 1901 GMT 29 Jan 95

[FBIS Translated Text] Quito, 29 Jan (EFE)—The Ecuadoran Army charged today that Peruvian troops have attacked border posts distant from the disputed area, which has been the scene of clashes over the past few days.

Colonel Roberto Carrera, a member of Ecuador's Special Army Forces, informed journalists at a site near the border that "intense" clashes are occurring in the disputed area, as well as beyond it, but Ecuadoran troops have remained in their positions.

Authorities Issue 'Ultimatum' to Peruvians To Leave Country

PA2901211895 Mexico City NOTIMEX in Spanish 2015 GMT 29 Jan 95

[FBIS Translated Text] Lima, 29 Jan (NOTIMEX)—Ecuadoran authorities today issued an "ultimatum" to Peruvians living in Ecuador to leave the country as soon as possible, television and radio stations reported today.

Residents of the Peruvian border province of Tumbes, 1,037 km north of Lima, charged their countrymen are being pressured via Ecuadoran radio and television stations—something they described as absurd. Nevertheless, no mass exodus of Peruvians has been reported at the international bridge between Aguas Verdes (Peru) and Huaquillas (Ecuador), authorities stated.

The warning to Peruvians to leave the country came this afternoon after Ecuadoran President Sixto Duran-Ballen denounced an unprecedented military offensive by Peruvian troops. Tensions along the border are rising by the hour because of the continuing deployment of troops, the establishment of roadblocks, and the mobilization of armored personnel carriers, residents in the northern region confirmed.

Meanwhile, it was reported in Lima that the Ecuadoran Embassy beefed up security to prevent possible bomb attacks. Police patrols hired by the diplomatic mission are guarding the embassy, which is located in Lima's exclusive San Isidro neighborhood. Their instructions, according to one officer, are to give around the clock protection to the diplomatic staff.

Nevertheless, a climate of complete calm prevails in Lima, and Peruvians are devoting their time to watching a soccer match between two local teams. The military clashes along the border have not altered the lives of the city residents. It has been possible to determine that recreation centers, movie houses, restaurants, parks, and supermarkets are conducting business as usual.

Foreign Ministry Denies Peruvians Ordered To Leave

PA2901230795 Quito Voz de los Andes in Spanish 2148 GMT 29 Jan 95

[Press release issued by the Ecuadoran Foreign Ministry in Quito on 29 January—read by announcer]

[FBIS Translated Text] Given reports spread by some media claiming that Peruvian citizens living in Ecuador have been forced to leave the national territory as a result of the military conflict between the two nations, the Foreign Ministry categorically denies these rumors

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and reasserts the Ecuadoran state guarantees that these people have the right to remain within national territory, according to guidelines established under the Constitution and other laws of the Republic.

Army Commander Says Peruvian Troops 'Have Been Expelled'

PA2901215495 Madrid EFE in Spanish 2112 GMT 29 Jan 95

[FBIS Translated Text] Macas (Ecuadoran Amazonian Region), 29 Jan (EFE)—General Jorge Ortega, general commander of the Ecuadoran Army, has asserted that the Peruvian troops which simultaneously attacked 10 Ecuadoran detachments at the border today "have been expelled."

In statements to an EFE special correspondent at the conflict zone in the Amazon region, the officer said "the attacks by Peruvian forces, which opened with helicopter bombings and continued with land forces, were renewed today, but our soldiers are maintaining their positions."

"We, as a country, as an armed force, have never been warmongers. We have never been expansionists, much less invaders. We are defending our territory," the officer said.

Ortega said: "Fighting is taking place in Ecuadoran territory," but he could not predict how long the conflict would last. The conflict began on Thursday, 26 [January], and both countries blame the other for starting it.

"Ecuadoran soldiers are willing to stand fast for as long as necessary," Ortega added. The Army General Commander visited several points in the border area this Sunday.

Reporters in Macas, one of the provincial capitals of the Amazon area, have seen a constant stream of Ecuadoran Air Force combat planes taking off from the airport in this city.

Crowds Converge at Government Palace To Support President

PA2901225195 Quito Voz de los Andes in Spanish 2037 GMT 29 Jan 95

[Report by German Carvajal Torres from the Government Palace in Quito—live]

[FBIS Translated Text] We want to report that marchers continue making their way toward the Government Palace, coming from the north, south, east, and west. Small groups are converging on Independence Square. Within a matter of minutes, this has become a true swarm of people. At one point, President Sixto Duran-Ballen had to come down. He came down to Independence Square, and [words indistinct] because security had a difficult time in controlling the crowds and protecting the life of President Duran-Ballen. He shook hands with people in the crowd. People asked for weapons to go to the border to defend the country. The president simply smiled. His security team struggled to control this swarm of people who rushed to greet him and offer him their moral support at this difficult time.

My colleague Edwin Chamorro got very close to the president and was able to record his remarks to reporters, but the quality of the recording is not as good as we would have liked. Please understand the situation [words indistinct] the president going to Independence Square. As you can hear, cars are honking and people are shouting: Ecuador! Ecuador! Ecuador! A growing number of people, some with their children in their arms, are going to Independence Square. We hope all Ecuadorans will adorn their houses and cars with the nation's flag.

There is impressive [word indistinct] support for the president's position, because he said not one more [words indistinct]. We also want to report that Peruvian President Alberto Fujimori has commented on the demarcation, but reporters told us he was using an outdated map and therefore was giving an explanation on an area near the Amazon region.

President Addresses Crowd

PA3001025595 Quito Voz de los Andes in Spanish 0104 GMT 30 Jan 95

[Speech by Ecuadoran President Sixto Duran-Ballen to crowd gathered in Independence Plaza at the Government Palace in Quito on 29 January—recorded]

[FBIS Translated Text] Fellow citizens: I am very proud of my people. I am very proud of the Ecuadorans who confirmed yesterday, through the presence of all the former presidents—seven presidents and vice presidents of former governments—that in matters of our integrity and sovereignty, Ecuador is united before the world and any who want to offend us. [cheers, shouts of "Ecuador! Ecuador!"]

Twenty-four hours after the events began, the mediation commission asked if Ecuador would accept a cease-fire that would call for us to demilitarize an area and withdraw to other places, I said: No. I said: No. [cheers, applause] I said no to withdrawal because this has been the path that has always been taken throughout the 164 years of our republic's history. Every time this happened, they wanted Ecuador to withdraw. This time we will not withdraw. [crowd shouts "Ecuador! Ecuador! Ecuador!"]

I granted an interview to a foreign correspondent, and when he told me that we were the attackers, I told him: Condor and Miradores are Ecuadoran. Tayos is Ecuadoran. Coangos is Ecuadoran. Base Sur and Chiguenda are Ecuadoran. Teniente Ortiz, Teniente Ortiz is Ecuadoran. Etza is Ecuadoran. Soldado Monje is an Ecuadoran place. Which of these names, mister journalist, is a Peruvian city, community, or detachment? This means that Ecuador is the one that was attacked. None of our positions are Peruvian posts. Therefore, we are not the

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attackers. They are the ones who traditionally [words indistinct] for us to withdraw. We are not going to withdraw.

Our Armed Forces, which represent all the Ecuadorans who are here, are standing firm in the knowledge that the decision of their commander in chief, the Armed Forces Joint Command, the cabinet, the National Security Council is to stay there and stand firm in our positions. We will only accept an unconditional cease-fire if it will allow us, through legal and juridical means, to finally define our border in peace and with dignity. We will not withdraw. Viva Ecuador! [people shout: "Viva!"]

Children Chant for Peace

PA3001165095 Quito Voz de los Andes in Spanish 1602 GMT 30 Jan 95

[FBIS Translated Text] Although demonstrations were staged this morning outside the Government Palace at the Plaza Grande, they lacked the intensity of those staged yesterday. Likewise, the Pichincha Provincial Prefecture has called on Quito and Pichincha Province residents to stage a mass demonstration beginning at 1500 hours to express solidarity with Ecuador and the national government.

The children who convened this morning at the Plaza Grande were children of approximately five years of age. These children do not know what is going on but chanted the following:

[Begin children recording] We want peace! We want peace! We want peace! We want peace! We want peace! [end recording]

This is what the children were chanting here at the Plaza de Independencia [name as heard] in front of the Government Palace: We want peace.

Duran-Ballen Regrets Deaths, Says Fighting Continues

PA2901232895 Madrid EFE in Spanish 2238 GMT 29 Jan 94

[FBIS Translated Text] Quito, 29 Jan (EFE)—Ecuadoran President Sixto Duran-Ballen today said Peru has made a "poorly calculated political move that will result in the victimization of a number of people," adding that the Peruvian public itself is aware of this.

He told EFE: "We have even noticed that Peruvian newspapers recognize this was a political move, and that it was a poorly calculated political move that undoubtedly will lead Peru to suffer a number of casualties. Such is the case of the seven crew members of the Peruvian helicopter that we shot down."

Duran-Ballen regretted these deaths, "because they are human beings who were just following orders."

In addition, he denied that fighting between Ecuadoran and Peruvian soldiers, which began on Thursday, 26 January, involved naval forces of either country. Only ground troops and air force units have been sent into action.

Duran-Ballen said representatives of the guarantor nations (Argentina, Brazil, Chile, and the United States) of the border agreement signed between Ecuador and Peru in 1942 were meeting. He also said Ecuador "has requested a meeting of the UN Security Council in an exercise of our rights."

The Ecuadoran president also confirmed that fighting continues this afternoon along the disputed border area in the Amazon region.

Following a short walk around Independence Square outside Carondelet Government Palace, where he was surrounded by cheering countrymen, Duran-Ballen reaffirmed that his soldiers have not surrendered "one single millimeter" following the massive attack Ecuador [as received] launched today in the conflict zone.

He stressed that Ecuador did not initiate the fighting, and he added that he has faith in the sincere international efforts that should ultimately result in an "unconditional" cease-fire agreement.

Government Notes Peruvian Newspaper's Opposition to War

PA2901235295 Quito Voz de los Andes in Spanish 2149 GMT 29 Jan 95

[Press release issued by the Ecuadoran Government Palace Press Secretariat in Quito on 29 January—read by announcer]

[FBIS Translated Text] The Peruvian newspaper EXPRESO's 29 January editorial reviews the Ecuadoran-Peruvian conflict, which is rooted in the dispute over the border region.

Although it emphasizes the Peruvian position in this concern, the newspaper notes: Wars in general are senseless, because they cause all kinds of misfortune and economic and material losses, but a war between Peru and Ecuador is even more senseless because the people of these two friendly nations are not only essentially the same, but also because they simply want to live in peace and trade with one another. This is the demand along the border, where the people on either side would like to build bridges to prevent them from having to swim across the river that separates them. Towns such as Tumbes, for example, would like to enjoy the availability of Ecuadoran electricity, and the same holds true for other areas.

The Peruvian newspaper EXPRESO continues: For example, on Thursday the Inter-Andean Bank of Peru invited its new Ecuadoran partners of the People's Bank, which had purchased part of its shares, to a cocktail party. Tomorrow, Monday, the Finance Bank—a Peruvian bank—will do the same, just as others before it have

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done, with the owners of the Bank of Pichincha, who also participate as partners of the Peruvian bank, and so on and so forth.

According to the editorial, despite what we have previously said, we have fallen flat on our faces because of a conflict that no one cares for—except a few.

News Conference on Border Clashes

PA3001004795 Quito Radio Network in Spanish 2304 GMT 29 Jan 95

[News conference by Ecuadoran Colonel Alberto Molina, Defense Ministry press secretary, and Secretary of the Presidency Santiago Aguilar from the Government Palace in Quito; broadcast in progress—live relay]

[FBIS Translated Text] [Molina] ...Teniente Ortiz Detachment, soldier Hector Pilco, member of Jungle Battalion No. 61 in Santiago, paid tribute to the fatherland. His commander described him as the epitome of a courageous patriot who reflected the highest degree of steadfast determination of our Army, whose soldiers are willing to sacrifice their lives to prevent the invading troops from entering our territory.

2. The Ecuadoran Armed Forces defending the Teniente Ortiz Detachment held their positions and counterattacked the Peruvian forces with the support of Army airpower, bombing the Peruvian Pachacutec Detachment deployed in our territory. The withdrawal from that area accepted by both sides in the gentlemen's agreement signed by Peru in 1991 was not respected by that nation.

3. At 1120 there were new incursions by Peruvian helicopters over the Ecuadoran Tihuiza Detachment, which were repelled by our troops with antiaircraft fire, as a result of which a second Peruvian helicopter was downed.

4. The Joint Command categorically denies reports from Lima relayed by the AFP news agency that say Peruvian troops transported by helicopter have occupied three border posts in the Condor Mountain Range. Our situation in the combat zone has not been altered. The Army remains firm in its positions.

5. Here is a summary of Ecuadoran casualties in the combat zone: one dead, seven wounded, six missing.

This bulletin is signed by the Armed Forces Joint Command. Thank you.

[Unidentified Voz de los Andes announcer] Voz de los Andes listeners: This was a report read by Armed Forces General Commander Gilberto Molina [title as heard]. We will continue with this network relay.

[Aguilar, in progress] ...January, 1995, addressed to the defense minister, the chairman of the Joint Chiefs of Staff, the general commander of ground forces, the general commander of the Navy, and the general commander of the Ecuadoran Air Force. The telegram reads as follows:

As commander in chief of the Ecuadoran Armed Forces, I salute the brave soldiers in the air, on the sea, and on the ground who are defending national sovereignty with patriotism, dignity, and heroism. Now, more than ever before, I offer you my unlimited support in the face of aggression from the invader. I can testify that the entire Ecuadoran population is proud, confident, and safe, because you, who are the very essence of our national spirit, will stand firm in the fulfillment of your sacred duty. We must not let the aggressor advance one single millimeter inside our territory, which was handed down to us by our ancestors. Let us keep our spirit and morale high for the good of Ecuador's future.

Peace without dignity: Never!

Long live the fatherland!

It is signed by Constitutional President of the Republic Sixto Duran-Ballen. It is the text of the official telegram that the president has sent to the defense minister, the commanders of the three branches of the Armed Forces, and, in general to the Ecuadoran soldiers who are in the border region.

[Annouucer] This is a live relay being broadcast by Voz de los Andes from the Government Palace.

[Aguilar] Classes will resume all across the country at the elementary school, high school, and of course university levels, except in El Oro, Loja, Morona, and Zamora-Chinchipe Provinces. Let me repeat this for you. Classes will begin tomorrow in El Oro, Loja, Morona, and Zamora-Chinchipe Provinces. [sentence as heard]

I also would like to take advantage of this chance to reiterate my statements denying reports that say Peruvian citizens have been mistreated in several cities around the country. As I have said all day long, this is part of a misinformation campaign by Peru. There has been no retaliation here, as this would be inconsistent with the country's pacifist nature. I also would like to deny alleged mistreatment of Peruvian journalists who were working in the country. Last, I must also deny that Aeroperu, or any other Peruvian airline, has been prohibited from landing in Ecuadoran territory.

Colonel Molina has received several photographs. We will distribute copies and he will explain.

[Molina] Allow me to distribute photographs of two prisoners of war who were captured near Cueva de los Tayos. These POW's are currently in the custody of the Condor 21st Brigade, and they are being treated in accordance with the Geneva Conventions of which Ecuador is a signatory. This means they are receiving the treatment they deserve as human beings.

[Aguilar] These are the photographs that we will distribute immediately.

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Ecuadoran Envoy to UN Denounces Fujimori Remark on OAS

PA2801210695 Lima Radio Programas del Peru Network in Spanish 1800 GMT 28 Jan 95

[From the "Newspaper of the Airwaves" newscast]

[FBIS Translated Text] Quito, Ecuador—Luis Valencia Rodriguez, Ecuadoran ambassador to the United Nations, has denounced the statement by Peruvian President Alberto Fujimori opposing OAS mediation in the armed conflict between these two Andean countries.

OAS resolutions are binding on all member-countries, Valencia Rodriguez told Radio Quito. Valencia Rodriguez, who served as foreign minister during the government of President Oswaldo Hurtado from 1981 to 1984, announced that the UN Security Council will meet today to be informed of the military border conflict between Ecuador and Peru.

In addition, President Alberto Fujimori opposes OAS mediation in his country's conflict with Ecuador, and he has emphasized that only the guarantor countries of the Rio Protocol—Argentina, Brazil, Chile, and the United States—may perform that role.

Ministry Surprised by Fujimori's Remarks on OAS, UN Role

PA3001011995 Quito Voz de los Andes in Spanish 0011 GMT 30 Jan 95

[Report on communique issued by the Ecuadoran Foreign Ministry in Quito on 29 January—read by announcer]

[FBIS Translated Text] The Foreign Ministry voiced its profound surprise at the remarks by Peruvian President Alberto Fujimori, who opposed the role of the United Nations, a world organization, and the OAS, a regional organization, a guarantors of peace. As may be recalled, in one of his most recent statements, the Peruvian president said that neither the United Nations nor the OAS have any role to play in the military conflict that has arisen between the two countries. The international news agency ANSA reported President Fujimori's remarks.

The Foreign Ministry's communique adds: In reiterating its confidence in the actions of the United Nations and the OAS, the Ecuadoran government recalls that these organizations were in fact created to maintain peace, resolve conflicts through peaceful means, and promote international security and friendship. In its chapter on objectives and principles, the UN Charter, among other things, lists preserving the peace and international security and seeking peaceful solutions to controversies or international situations that may lead to a rupture of the peace.

The OAS Charter, in turn, includes among its purposes strengthening the peace and security of the continent and reaching peaceful solutions in controversies that arise among member states. It also establishes that the American states condemn wars of aggression, agree that victory does not grant rights, and stresses that international controversies involving two or more American states must be resolved through peaceful means.

The Foreign Ministry communique concludes: In line with its adherence to the principles that rule the coexistence of states, Ecuador has abided and will abide by the norms of international law, as well as those of world and regional organizations, as the norms of conduct for reciprocal relations between states.

Foreign Ministry Notes Uruguay's Efforts To Involve OAS

PA3001012595 Quito Voz de los Andes in Spanish 0013 GMT 30 Jan 95

[Press bulletin issued by the Ecuadoran Foreign Ministry in Quito on 29 January—read by announcer]

[FBIS Translated Text] Uruguayan Foreign Minister Sergio Abreu has announced his decision to ask the OAS to intervene in order to find a peaceful solution to the military confrontation between Peru and Ecuador. To that end, the Uruguayan Foreign Ministry has announced that it will directly contact the OAS secretary general, now holding talks with the Uruguayan ambassador to the OAS, in order to bring the problem before the OAS and so preserve the mechanism of solving controversies through peaceful means.

We have also learned that Foreign Minister Abreu will be establishing contacts with the Brazilian Foreign Ministry to find a peaceful solution as soon as possible to the serious situation between Peru and Ecuador.

We also want to report that the foreign minister [not further identified] says that Panama regrets the incidents along the border between Peru and Ecuador and has volunteered to host regional talks to find a peaceful solution to the conflict in those two countries.

Foreign Ministry Notes Appeal From Regional Leaders

PA3001021995 Quito Voz de los Andes in Spanish 0137 GMT 30 Jan 95

[Press Bulletin No. 37 issued by the Ecuadoran Foreign Ministry; place, date not given—read by announcer]

[FBIS Translated Text] The Foreign Ministry has received from the Presidency of the Republic of Panama the text of the joint communique issued on this date by the presidents of Bolivia, Gonzalo Sanchez de Lozada; Colombia, Ernesto Samper Pizano; Panama, Ernesto Perez Balladares; and Venezuela, Rafael Caldera, in connection with the Ecuadoran-Peruvian conflict, the text of which is attached.

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In the communique, the presidents, who are currently preparing the Bolivarian summit to be held in Cumana, Venezuela on 2 and 3 February, issue a fraternal appeal for a cease-fire between the two nations and a peaceful solution to the conflict. They likewise express their hope that the search for a definite settlement may start as soon as possible, for the benefit of the people's welfare and in compliance with the noble ideal of unity proclaimed by the liberators.

The Government of Ecuador, which has accepted since the outset a request from Argentina, Brazil, Chile, and the United States for a cease-fire, reasserts its willingness to proceed in this regard. It hopes that this important appeal from four Bolivarian heads of state is accepted immediately, sensibly, and unconditionally by the Peruvian Government. It fully shares the hope expressed in the mentioned joint communique that the Bolivarian presidential summit contribute to the full restoration of an atmosphere of harmony and understanding between Ecuador and Peru to allow the groundwork to be laid for an agreement that definitely and honorably settles this conflict.

State Petroleum Enterprise Takes Protective Steps

PA3001150695 Quito Voz de los Andes in Spanish 1200 GMT 30 Jan 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The Ecuadoran State Petroleum Enterprise [Petroecuador] is taking precautionary steps in the Amazon region to protect its hydrocarbon installations in view of the border conflict with Peru.

Petroecuador workers in Lago Agrio have reported that activities, although normal and without operational restrictions, are being carried out in an atmosphere of unrest and uncertainty.

Yesterday, there was an evacuation drill in case of an attack by Peru.

Foreign Ministry Calls For Urgent OAS Meeting

PA3001145195 Quito Voz Andes in Spanish 1200 GMT 30 Jan 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The government has intensified its diplomatic effort to make known to the world that Peru is the aggressor and the invader of Ecuadoran territory.

Several missions have gone to various countries and hundreds of contacts are being made with leaders of world organizations. The diplomatic mechanisms being used by Ecuador form part of this country's strategy to pull out of the conflict peacefully.

The Foreign Ministry has reported that based on Articles 60 and 61 of the OAS Charter, it has asked the president of the OAS Permanent Council to hold an urgent council meeting to hear a report on recent grave confrontations on the Ecuadoran-Peruvian border so that it can convoke a foreign ministers meeting, as established in the charter.

President Duran-Ballen Sends Greetings to Soldiers

PA3001142995 Quito Voz de los Andes in Spanish 1200 GMT 30 Jan 95

[Official message by Ecuadoran President Sixto Duran-Ballen to the Ecuadoran Armed Forces stationed in the border region; place and date not given—read by announcer]

[FBIS Translated Text] As commander in chief of the Ecuadoran Armed Forces, I greet our brave air, sea, and ground forces who are defending national sovereignty with patriotism, honor, and heroism.

Accept, today more than ever, my unrestricted support in the face of aggression from the invaders.

I can affirm that all the Ecuadoran people are proud, trusting, and safe because you, the soldiers, who are the very essence of our nationality, will remain firm in fulfilling your sacred duties.

Let us not allow the aggressor to advance even one inch into the territory we inherited from our ancestors. Let us keep our spirits and morale high for the sake of Ecuador's future.

Peace without dignity: never.

Viva the fatherland.

This is signed by Sixto Duran-Ballen, constitutional president of the republic.

Government Announces Emergency Economic Measures

PA3001140295 Madrid EFE in Spanish 1247 GMT 30 Jan 95

[FBIS Translated Text] Quito, 30 Jan (EFE)—The Government of Ecuador today announced new taxes and various economic emergency measures to collect extra funds, because of the conflict with Peru.

Public employees must make a contribution equal to two days worth of their salaries, and the period for banks to deliver to the state treasury the taxes they collect is reduced from eight to four days.

In addition, the government proposed to Congress a new tax on all vehicles equal to 2 percent of their value, and the elimination of most exemptions to the value added tax (VAT).

According to the Presidency communique, the public investment priorities will also be revised.

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Andean Parliament Asked To Convene on Conflict With Peru

PA3001135195 Quito Voz de los Andes in Spanish 1200 GMT 30 Jan 95

[From the "Voz Andes Newscast"]

[FBIS Translated Text] The Foreign Relations Ministry has reported that Bolivian lawmakers who are members of the Andean Parliament have asked Andean Parliament President Hugo Cardenas, who is also vice president of that country, to convene an urgent meeting of Andean Parliament member states to prevent Ecuador and Peru from going to war. This situation, the Bolivian legislators explained, could endanger the Latin American integration process achieved over the past few years, as well as the historical roots joining the Andean Pact member countries.

Secretariat Issues Communique on OAS Meeting

PA3001164395 Quito Voz de los Andes in Spanish 1554 GMT 30 Jan 95

[FBIS Translated Text] We interrupt Yolanda Molina de Aguilar's Radio Circulo program because we have a report from our colleagues at the Presidency of the republic. Go ahead:

[Unidentified reporter] Good day, international friends of Voz de los Andes. We are here at the press room of the Presidency of the republic to report on the latest events in the Ecuadoran- Peruvian conflict.

A few minutes ago, a new communique was issued by the State Communications National Secretariat [Senacom] and Mauricio will tell us more about it.

[Mauricio] Said communique states that the OAS is an organization bearing an enormous moral strength to prevent the continuation of the attack against our country. This was expressed by Dr. Blasco Pena Herrera, Ecuadoran ambassador to the OAS. Along these lines, he said that in keeping with Article 61 of the OAS Charter, a meeting of the OAS Permanent Session has been convened to start in the next few hours. This will allow the foreign ministers to meet tomorrow so they can hear the denunciation Ecuador will present.

He remarked that Permanent Council President (Jean Casimir) convened the meeting, because this is a regular procedure involving the request of a member state. He added that various governments through their representatives at the OAS have expressed their solidarity and support for the Ecuadoran initiative to convoke a continental meeting.

Regarding Peruvian President Alberto Fujimori's rejection of OAS and UN mediation, he said the Peruvian president does not want to understand the inter-American system and the way of life of people in this hemisphere. He stressed that no single country can ignore a pronouncement by one of the highest bodies of the inter-American organization. He insisted that the OAS does not have a coercive character but a moral strength, therefore, no country can ignore and disavow a measure calling for peace, harmony, and concord, bringing an end to a long process of confrontation between two brother countries, Dr. Blasco Pena Herrera concluded.

This was the communique we received on the meeting that will be held in the next few hours by the OAS Permanent Council.

Government Not To Call For Security Council Meeting

PA3001161695 Madrid EFE in Spanish 1504 GMT 30 Jan 95

[FBIS Translated Text] United Nations, 30 Jan (EFE)—Ecuadoran Ambassador to the United Nations Luis Valencia Rodriguez today told EFE that for the time being, Ecuador will not call for a UN Security Council meeting on its conflict with Peru and will wait to see what happens at the OAS sessions.

Today it was announced in Ecuador that the OAS Permanent Council will meet in Washington today, and tomorrow, Tuesday, the Meeting of Consultation of Ministers of Foreign Affairs will hold a session.

Ecuador could resort to the United Nations if necessary, depending on what happens at the OAS, the ambassador explained.

Last Saturday, Ecuador sent a letter to the president of the UN Security Council, Argentine Ambassador Emilio Cardenas, and to UN Secretary General Butrus-Ghali to report on what he described as "the aggression" it has sustained from Peru, but did not call for a Security Council meeting.

Diplomatic sources have reported that Peru Sunday sent a letter to the UN Security Council Presidency to report on what it calls "the armed aggression" from Ecuador.

The sources added that the border conflict between Ecuador and Peru will probably be mentioned today, even if it is only for information purposes in the closed-doors meeting the Security Council plans to hold on Haiti and Lebanon.

Delegations Sent To Meet With Latin American Presidents

PA3001172995 Quito Voz de los Andes in Spanish 1644 GMT 30 Jan 95

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen has sent delegations made up of politicians to meet with several of his colleagues in Latin America to explain Ecuador's position on this conflict.

A delegation headed by Quito Mayor Yamil Mahuad and former Energy Minister Franciso Acosta will meet today with Venezuelan President Rafael Caldera in Caracas.

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No Peruvian Attacks 'This Morning;' Air Raid Feared

PA3001165995 Quito Voz de los Andes in Spanish 1634 GMT 30 Jan 95

[FBIS Translated Excerpt] On the fourth day of a border conflict that has left a large number of casualties, the Ecuadoran Armed Forces fear that the Peruvian Air Force will stage massive attacks on their detachments.

This morning, there have been no Peruvian attacks but it is believed it will stage a large scale air attack against our detachments where we are firmly maintaining our positions, an officer of the Ecuadoran Armed Forces Joint Command stated. [passage omitted on previously filed material]

CEDOC Communique States Position on Border Dispute

PA3001174095 Quito Voz de los Andes in Spanish 1604 GMT 30 Jan 95

[FBIS Translated Text] The Ecuadoran Confederation of Classist Organizations [CEDOC] has issued a communique making public its position on the Ecuadoran-Peruvian border conflict. This is what the communique states:

The CEDOC emphatically rejects the war-like actions the Peruvian Government is carrying out against Ecuadoran integrity and territorial sovereignty. The CEDOC categorically repudiates the Peruvian military offensive that shows the electoral interests of President Fujimori, in complicity with the Armed Forces leadership, once more ignoring the democratic resolve of the Peruvian people.

The third point of the communique also states the following: The CEDOC stresses that the peace achieved between the two countries by the peoples and workers of the two nations, cannot and must not be undermined by the mean and personal interests of those who make business out of war.

The fourth point reads as follows: The CEDOC supports the Ecuadoran Government's initiative and efforts toward a peaceful solution while following international laws and principles and respecting the Latin American coexistence and the people's self-determination.

The communique concludes as follows: The CEDOC calls on the Peruvian and Ecuadoran workers organizations, other social sectors, and all the active sectors of civilian society to reject this new military adventure in a demonstration of unity and solidarity. This adventure, in a criminal and anti-historical fashion, is jeopardizing the security and coexistence of two peoples, who are beset by the most profound crises and the highest level of poverty.

This was the CEDOC communique.

Patriotism, National Unity Urged

Guayaquil EL UNIVERSO in Spanish 22 Jan 95 p 6

[Commentary by Carlos Estarellas Merino: "Again Peru"]

[FBIS Translated Text] The latest incidents that took place near the Cueva de los Tayos demonstrate that, unfortunately, Peru continues set in its old questto trim even more our national territory, and that Peru's policy of reconciliation is just part of a well thought-out plan to close the border to its liking. The facts speak for themselves and reveal to us that Peru has not moderated its territorial appetites.

What is serious about the case is that many naive Ecuadoreans fell into the trap and believed that the solution was just around the corner. Our naivete reached new heights when we invited the president of that country and gave him an enthusiastic welcome. Despite the existence of the Pachacutec frontier post, he was greeted with large demonstrations of friendship and thousands of children waving Peruvian flags. Obviously our desire for peace and Latin Americanbrotherhood has blinded us to the fact that that desire never existed among the people to the south.

Ecuadoreans must face an unpleasant reality and take the following actions:

1. Cease all political infighting, which is only prejudicial to the country. It would be worthwhile to recall a quote from Marcelino Menendez y Pelayo: Patriotism is not noisy, provocative, or intemperate. The most sincere and intense patriotism manifests itself with reserve.

2. Strengthen our Armed Forces, our only security against constant military harassment by Peru. Our Armed Forces are still much smaller in number and armaments than those of Peru; therefore, it would be a tragic mistake to reduce the resources our Armed Forces require to effectively carry out their mission.

3. Our diplomacy must be less ethereal and more realistic. We must particularly keep in mind that despite the many gestures of friendship and brotherhood from Peruvian governments over the past 100 years, the Peruvians have, nevertheless, continued to take advantage of our carelessness and usurp more territory. Furthermore, one of the reasons the border has not been closed is because Peruvian greed has led it to violate geographic realities, always trying to take over even more.

4. Teachers must start teaching civics again to strengthen our spirit of national unity and prevent a repetition of the 1941 tragedy. Meanwhile, we should remain calm and firmly convinced of our rights and of the fact that we are a people that has done great things together and will continue to do so. Our common sufferings, joys, and hopes are more proof of our nationhood than just mere borders—especially our suffering. Suffering exacts responsibilities which lead to a common effort much more than any victory can.

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Judgments Pending in Court Cases Reviewed

95SM0138A Quito EL COMERCIO in Spanish 4 Jan 95 p D8

[FBIS Translated Text] *Judgments are pending for 1995: a granddaughter of President Duran-Ballen is accused in an apparent case of influence peddling. The final sentence in the Restrepo case is before the Criminal Section of the Supreme Court. There is considerable anticipation over the prosecution of ex-Police Chief Guido Nunez. The scrap iron trial is still without a sentence and Elsa Bucaram is still in Panama. Was drug money laundered in the Banco de los Andes and the Banco General Ruminahui?*

A dozen criminal trials are the focus of public attention because of their political and social implications. Statements by magistrates and judges are commented on by the public in a variety of tones, and some have received severe criticism.

Most of the trials are being heard in the Supreme Court of Justice, whose president, Francisco Acosta Yepez, is the center of public attention and the target of criticism of the administration of justice. Prosecutor General Fernando Casares Carrera is playing a major role in denunciations of corruption.

His prosecutorial activities have brought about the investigations and trials of persons presumed to be guilty of criminal behavior.

But among so many scandalous affairs, society is awaiting primarily the final outcome of the trials involving the disappearance of the Restrepo Arismendi brothers, the death of Consuelo Benavides, the alleged illegal enrichment of the ex-commanding general of the police, Guido Nunez, the sale of Guayaquil's scrap iron during the administration of Mayor Elsa Bucaram, and the alleged laundering of drug sale profits in the Banco General Ruminahui and the Banco de los Andes.

Worthy of a separate chapter are the cases involving the Flores y Miel chocolate factory and the Irandina firm, seen as a dummy financial corporation, in which Enma Paredes Duran-Ballen, a granddaughter of the president of the Republic, is involved.

Restrepo: One Last Appeal Left

The Restrepo case is probing the disappearance of the brothers Santiago and Andres Restrepo in Quito, on 8 January 1988.

It is suspected that they were tortured and murdered in the now abolished Criminal Investigative Service (SIC) in Pichincha and their corpses thrown into Lake Yombo, near Ambato.

The president of the Supreme Court of Justice, Francisco Acosta, handed down a verdict of guilty in the initial trial for the concurrent crimes of arbitrary arrest, torture, and murder of the Restrepo youths.

He sentenced police agents Guillermo Llerena and Victor Camilo Badillo to 16 years in prison as perpetrators of the crimes.

The judge sentenced Colonel Trajano Barrionuevo, Lieutenant Juan Manuel Sosa, and Second Lieutenant Doris Moran, as accomplices, to eight years in prison.

General Gilberto Molina, ex-commanding general of the police and agent Hugo Espana Torres were each sentenced to two years in prison, for concealing evidence.

The latter are free, and the others are confined in a police detention center, with some privileges.

The judge also ordered that police Colonels Gustavo Gallegos and Gustavo Tapia, and ex-Secretary of the Pichincha Prosecutor's Office Fabian Falconi, be placed on trial for misleading the judge, as they submitted a false report that attempted to establish that the Restrepo youths died in a traffic accident.

A Case About To Lapse

Supreme Court President Francisco Acosta dusted off the criminal investigation into the death of Consuelo Benavides, regarded by the police as a leftist activist.

Her corpse was found near Esmeraldas on 19 December 1985. Before her death she had been arrested and subjected to harsh interrogation at the military barracks in Esmeraldas and Quito, after which she was found dead.

On 22 August 1994, Acosta Yepez ordered a plenary trial of the alleged perpetrators and accomplices in the crimes of arbitrary arrest, torture, and murder of Consuelo Benavides.

Regarding the criminal responsibility of the accused, the judge determined that a strong presumption of guilt exists against Fausto Morales Villota (commander-administration), as the perpetrator.

Retired Rear Admiral Francisco Viteri Silva and Navy Yeoman Pedro Sagnay are charged as accomplices, and police Lieutenant Colonel Byron Paredes Morales are charged with concealing evidence.

The order for a plenary trial was appealed by the defendants, the private prosecutor and the prosecutor general. As a result, the trial was moved up to the Criminal Section of the Supreme Court for a verdict in the second instance, which will be final and unappealable.

A provisional decision is circulating among the five minister judges who make up the tribunal.

The defendant Morales Villota is being held at the Ministry of National Defense and is also facing a military trial for insubordination. He created an incident when he resisted arrest.

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The 600 Million Sucre Scrap Iron

The criminal trial involving alleged irregularities in the city of Guayaquil, during the period in which Elsa Bucaram was mayor, has been baptized as the case of the municipal scrap iron. The allegedly fraudulent sale of municipal property is said to have caused the loss to the Guayaquil municipality of 600 million sucres, according to specialist reports in the trial, but this has been challenged by the accused.

Supreme Court President Francisco Acosta charged Elsa Bucaram, without an order of preventive detention. The criminal trial became possible when the National Congress lifted the parliamentary immunity that protected her in her status as national deputy elected for the four-year period that expires on 9 August 1996.

The accused established her residence in Panama and has refused to provide a declaration for the investigation. She requested that such a declaration be taken in Panama, but the request was denied as contrary to law.

Several former municipal officials are charged, some of whom are under arrest and others are fugitives.

Leon Febres Cordero, mayor of Guayaquil, has presented himself as a private prosecutor and has requested prison and a plenary trial for Elsa Bucaram. The other private prosecutor is Jorge Maldonado Renella, municipal prosecutor.

Acosta Yepez decided to close the proceedings and to send the trial to the prosecutor general, Fernando Casares, for a legal opinion.

The trial documentation consists of 35 volumes and 4,458 pages of text, excluding annexes. It is in the hands of the prosecutor general.

An Unusual Police Scandal

A scandal of major proportions exploded in the National Police. The previous leadership was ousted, headed by the commanding general.

Colonel Hector Estrella publicly charged that serious irregularities were committed by senior officials and directly accused General Guido Nunez of illicit enrichment, and of violating the law and police regulations to damage officials who objected to his conduct. The government formed a special commission that examined the charges. The commission members—two retired police generals and the deputy comptroller general—presented their report to President Duran-Ballen.

Prosecutor General Fernando Casares transferred the case to Supreme Court President Francisco Acosta, for the commencement of criminal proceedings against Nunez.

Within the National Police, the National Police Court is pressing criminal charges against General Nunez for violations of the police law. Nunez has been separated from office and is awaiting trial.

The president of the Supreme Court is reviewing a report from the Superintendency of Banks to determine whether it contains grounds for prosecution.

The accuser, Hector Estrella, has been placed at the disposition of the Ministry of Government.

A Bank Debacle

A criminal proceeding is under way to determine whether drug money was laundered at the Banco de los Andes.

The allegation caused a crisis that almost caused the liquidation of the bank, because its clients withdrew 70 billion sucres within a few days.

It was Prosecutor General Fernando Casares who accepted that the conclusions from a police report from Operation Cyclone was a basis to investigate the allegedly fraudulent drug money laundering operation at the Banco de los Andes.

The governor of Pichincha initiated criminal proceedings and ordered the preventive detention of several bank directors, including the president, Guillermo Duenas, a rear admiral in the Ecuadoran Navy on the inactive list.

Duenas Iturralde, however, remained in a private clinic for a few days under police custody and then regained his freedom, because the president of the Quito Superior Court, Hector Gavilanez, revoked the order of imprisonment.

The trial is in its full summary and evidentiary phase. The Pichincha prosecutor, Jose Garcia Falconi, requested the completion of several enquiries before closing the summary proceedings.

He also issued an opinion on the revocation of the order of imprisonment against several of the accused.

The Prosecutor Prosecuted

Although it might seem paradoxical, Prosecutor General Fernando Casares was found guilty of libel and sentenced to pay a symbolic fine of 160 sucres, instead of receiving a prison sentence that the penal code provides for those convicted of libel.

The sentence was handed down by Supreme Court President Francisco Acosta Yepez, in the first instance, but was appealed by the prosecutor general. The trial went to the Criminal Section of the Supreme Court for definitive sentencing. The matter is now before Minister Judge Manuel Viteri Olvera. The trial for libel was motivated by the president of the defunct Banco de los Andes, Guillermo Duenas, who accused the prosecutor general of having publicly charged that drug money was being laundered in the Banco de los Andes. This he asserted caused the debacle at the bank.

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Duenas Iturralde also has another civil suit against Prosecutor General Casares in which he is asking an indemnity of 2 billion sucres in moral damages, as a result of the libel.

The civil suit for moral damages is being tried in the first instance in one of Pichincha's civil courts and is approaching a verdict.

Sixto and His Relatives

A granddaughter of President Sixto Duran-Ballen is being charged in a criminal trial, without preventive detention, over an apparent case of influence peddling.

The charge was made by Social Christian Deputy Xavier Neira and had effects beyond the courtroom, such as the resignation of the head of the National Financial Corporation (CFN), Leonardo Stagg.

Enma Paredes Duran-Ballen asked the CFN for a loan of $830,000 for her in-laws, Galo Anda Vallejo and Elba Carreno, owners of the small chocolate factory Flores y Miel.

The assigned judge, Bolivar Penafiel, charged, with an order of preventive detention, several officers of the CFN, the Anda-Carreno couple, and the president's granddaughter.

The head judge, Facundo del Salto, revoked the order of preventive detention against all of the accused. But President Duran-Ballen's relatives by marriage are accused of several frauds that exceed 300 million sucres, carried out through the firm Irandina.

Anda Carreno was visiting Quito and returned to the United States aboard the aircraft that took President Duran-Ballen to the Miami summit, in circumstances in which an order of provisional imprisonment had been issued against him.

Reyes Torres: Six Trials Pending

Operation Ciclon by the police resulted in several criminal trials of an Ecuadoran band of alleged drug traffickers, led by Jorge Hugo Reyes Torres.

All of them stand accused, with orders of preventive detention, in a number of proceedings that are investigating the crimes of illicit drug trafficking, misrepresentation, illicit enrichment, illegal possession of arms, conversion of property, laundering drug money, and other offenses.

At first, Reyes Torres availed himself of his right to remain silent, but he testified in one of his trials, asserting his innocence, asking to be freed, and requesting an inventory of jewelry of his property that had been seized by the police.

Reyes was absolved of the charge of rape, in the Criminal Tribunal of Santo Domingo de los Colorados, when the perpetrator turned out to be one of his employees. He was also absolved of smuggling telecommunications equipment, by the Fiscal Tribunal.

Camilo Ponce's Good Luck

In mid-June 1994, three humble persons—a mother and her two small daughters—died in a traffic accident near Pifo.

The vehicle that caused the accident was driven by the president of the Supreme Electoral Tribunal, Camilo Ponce.

In the trial of first instance, Supreme Court President Francisco Acosta dismissed the charges against Ponce.

In his verdict, the judge determined that the fatal accident was completely fortuitous, and that the driver was not at fault. Also, the police report said that the driver's condition was normal at the time of the accident.

The verdict was severely criticized in a number of social and political circles. It has been appealed and is now in the Criminal Section of the Supreme Court for a final verdict.

Racines' Controversial Absolution

This is another criminal trial involving alleged laundering of drug money in the Banco General Ruminahui.

Several ex-directors of the bank are charged and under arrest, beginning with the former general manager, Jose Racines Vinueza.

The First Penal Tribunal of Pichincha absolved all of the accused, finding that there was insufficient proof that a crime had been committed.

However, this sentence was sent for a further opinion to the Third Section of the Quito Superior Court, which had earlier ordered the trial because there was a strong presumption that drug money had been laundered at the bank.

In addition, the representative of the Public Prosecutor's Office has also appealed the absolution before the Penal Section of the Supreme Court.

Peru

Fujimori Rejects OAS Mediation in Conflict

PA2801190795 Lima Radio Programas del Peru Network in Spanish 1700 GMT 28 Jan 95

[Report by Carlos Tumez from Piura]

[FBIS Translated Text] President Alberto Fujimori left for the capital of the republic a few minutes ago after a long private meeting with chiefs of the military garrisons in this city. The president said he would briefly tour the border area before returning to the capital, where he will meet with OAS Secretary General Cesar Gaviria. Referring to this, the president said the Armed Forces remain

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alert to prevent and control any threat to our national sovereignty. He also said the police and Armed Forces are controlling strategic areas to prevent sabotage in places like the Talara refinery and the north Peruvian pipeline.

Referring to his meeting with the OAS secretary general, the head of state said the following:

[Begin recording] [Fujimori, in progress] Evidently not, because the OAS and the United Nations have absolutely no right to interfere in the matter. This bilateral issue of the border line falls within the authority of the Rio Protocol—plus the arbitration of the guarantor countries, meaning Argentina, the United States, Brazil, and Chile. These are the countries that can mediate in this matter, not the OAS.

[Unidentified reporter] What...

[Fujimori, interrupting] I will hold a meeting with the OAS secretary general but with a certain... [pauses] first of all, we cannot refuse to receive the OAS secretary general; second, because we are interested in telling him what is taking place and what Peru's position is. That is why I will receive the OAS secretary general following an inspection tour in the Tumbes border zone.

[Reporter] When will the tour take place, Mr. President?

[Fujimori] I am going to the border area in a helicopter right now. [end recording]

Meets Gaviria, Reaffirms Stand

PA2801230795 Lima Radio Programas del Peru Network in Spanish 2212 GMT 28 Jan 95

[Report by Byron Horna]

[FBIS Translated Text] We have a last-minute report. At the Government Palace, President Alberto Fujimori has explained the true situation being experienced in the area bordering Ecuador.

[Begin Fujimori recording] You may wonder why the OAS secretary general is here and whether the situation can be presented to the OAS or the United Nations.

The position of the Peruvian Government—and I believe other Latin American countries in similar positions also share this position—is to respect international treaties.

The international treaty that allows us to overcome these (?difficulties) is the one signed by the guarantor countries—Brazil, the United States, Chile, and Argentina. The visit that was paid to us by Dr. Cesar Gaviria was to show his goodwill and concern over the situation and to reduce the risks of an all-out conflict.

We have told Dr. Gaviria and all of the presidents of the friendly countries [words indistinct] that, as far as Peru is concerned, there are no intentions to overstep the border. We simply want our borders respected. There have been some skirmishes in the area. We have to recognize it [words indistinct], but both governments have time to prevent the situation from deteriorating. It would be dangerous for the peace and friendship between Peru and Ecuador to experience an accident that could lead us into an escalation of the situation. Peru firmly maintains its position. It firmly maintains its position to defend its border region and calls upon the Ecuadoran Government to prevent these incidents from recurring [words indistinct]. The Peruvian Armed Forces have clear instructions to defend Peru's sovereignty with the hopes that the conflict and the skirmishes will not extend to other areas. [end recording]

These were the words of President Alberto Fujimori at the end of a meeting with OAS Secretary General Cesar Gaviria, who has already left Jorge Chavez International Airport on his way back to Washington.

Envoy to Ecuador Views OAS, UN Mediation

PA2901015695 Lima Radio Programas del Peru Network in Spanish 1800 GMT 28 Jan 95

[Telephone interview with Jorge Morelli, Peruvian ambassador to Ecuador, in Quito, by Abelardo Dominguez in Lima—live or recorded]

[FBIS Translated Text] [Dominguez] Good afternoon, Mr. Ambassador.

[Morelli] Good afternoon.

[Dominguez] A few minutes ago President Alberto Fujimori told Radio Programas del Peru in Piura that neither the OAS nor the United Nations may intervene as mediators in his country's—that is Peru's—conflict with Ecuador, and that only the Rio Protocol guarantor countries may perform that duty. Quito's reaction came immediately through a former Ecuadoran foreign minister, Luis Valencia Rodriguez, his country's ambassador to the UN. He dismissed President Fujimori's statement opposing OAS mediation in the armed border conflict between Peru and Ecuador. He stated UN resolutions are binding on all member-countries. How do you feel about that? What can you tell us about that statement, Mr. Ambassador?

[Morelli] Ambassador Valencia Rodriguez, a former foreign minister, is referring to general guidelines that fall within the purview of the United Nations—specifically, the UN Security Council. That is in general terms. In specific terms, and for this case between Peru and Ecuador, the overriding document is the bilateral document—namely, the Rio de Janeiro Protocol, which includes the participation of four guarantor countries. This means that in this case, as happened in the (Paquicha) incident, which we hope will not happen again within the same extent, the responsibility to act falls chiefly on the guarantor countries. As happened then, it is appropriate and urgent that the guarantor countries intervene and come to the site of the incidents and try to obtain a cease-fire in the event of fighting.

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Once action by the guarantor countries has been taken, whether an OAS meeting takes place becomes something to consider in the future. It may even be advisable. I think the OAS secretary general is coming here in that spirit.

Only in the last instance, once bilateral and regional venues have been exhausted, would it be appropriate for the United Nations to act. The fact that the United Nations has a preeminent role in no way means that bilateral and regional forums are precluded in the first instance, as I have stated.

[Dominguez] In the case of the OAS secretary general, or the hypothetical case of the UN secretary general, they can only act as mediators if the two sides agree on this and request this.

[Morelli] Of course, but in this case, they—either the OAS or the United Nations—are intervening in response to the wishes of the two sides. One would also have to say the guarantor countries are entitled to perform a preeminent role. This means it is not just that Peru and Ecuador appeal to the OAS or the United Nations, but also that the guarantor countries have a mission to fulfill.

[Dominguez] The action by the guarantor countries has to come as soon as possible to demarcate the 78 km still pending along the Condor Mountain Range.

[Morelli] This is being done in phases. I think, and as I said a while ago, that if we had a serious situation or a military confrontation, it would be urgent to have a cease-fire. Now, the next phase is the separation of the forces. As happened in (Paquicha), Ecuador has to withdraw its troops from Peruvian territory. We cannot withdraw for the simple reason that we have not moved from our territory. As our government stated, there is no possibility that we will cross the border delineated by the Rio de Janeiro Protocol and the Diaz ruling.

[Dominguez] To conclude, this means that before the United Nations and the OAS can intervene, the guarantor countries must do so—namely, Brazil, Argentina, Chile, and the United States.

[Morelli] That is right.

Government Reiterates Adherence to Rio Protocol

PA2801200395 Lima Radio Programas del Peru Network in Spanish 1641 GMT 28 Jan 95

[FBIS Translated Text] In Washington, the Peruvian Government, through its permanent representative, (Beatriz Ramachotti), sent a letter to the top OAS representative. The Peruvian Government's document reiterates once again its firm position regarding respect for international treaties and the full validity of the Rio de Janeiro Protocol. Article 7 of this agreement stipulates that any doubt or disagreement will be resolved by the parties with the help of the protocol's guarantor countries. In view of this, Peru maintains permanent contact with the mentioned countries.

Foreign Minister Meets Rio Protocol Country Envoys

PY2701214695 Madrid EFE in Spanish 1842 GMT 27 Jan 95

[FBIS Translated Excerpt] Lima, 27 Jan (EFE)—Peruvian Foreign Minister Efrain Goldenberg met today with the ambassadors of the countries which are the guarantors of the Peruvian-Ecuadoran border treaty in an effort to solve the border crisis with Ecuador.

Meanwhile, from Quito, the Ecuadoran Armed Forces Joint Command reported that the Ecuadoran "Teniente Ortiz" border detatchment was attacked this morning by Peruvian soldiers, giving no report on casualties.

The ambassadors of Argentina, Brazil, Chile, and the United States in Lima went to the Peruvian Foreign Ministry at noon today to meet with Minister Goldenberg for more than one hour.

The meeting was held after it was learned that the Peruvian Armed forces deployed troops and armored materiel along the Ecuadoran border early this morning.

The delegates of the guarantor countries met on their own on 15 January in Brazil and issued a communique calling on the two countries involved in the conflict to resolve their differences through dialogue. [passage omitted]

Despite the troop movements and the political differences, the foreign ministers of the two countries have given signs of wanting to solve the crisis through diplomatic means.

It was learned in Quito that the problem was even discussed by Ecuadoran President Sixto Duran-Ballen with his Peruvian counterpart Alberto Fujimori at least once in a telephone conversation.

Meanwhile, despite the presence of a strong military force, activities are normal in the main border cities of the two countries, Aguas Verdes (Peru) and Huaquillas (Ecuador), which are only separated by a bridge.

The current crisis is the most serious since the one in 1991, when another border incident was about to cause a conflict in the same zone where the latest clash occurred, the Condor mountain range.

Guarantor Countries Demand Respect for Protocol

PA2801143395 Lima Radio Programas del Peru Network in Spanish 1209 GMT 28 Jan 95

[From the "Newspaper of the Airwaves" newscast]

[FBIS Translated Text] The four guarantor countries demanded that the Rio de Janeiro Protocol that demarcates the border between Peru and Ecuador be respected. This was stated by Brazilian Ambassador Carlos Coutinho and Argentine Ambassador Arturo Osorio

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after meeting with Efrain Goldenberg, president of the Council of Ministers and minister of foreign relations, in Torre Tagle in Lima.

[Begin recording] [Coutinho] The guarantor countries' four ambassadors were summoned by the Peruvian Foreign Ministry to listen and learn about the latest incidents. We have now been apprised and we will relay this to our governments. There are no measures for us to take here in Lima; measures will be taken by our respective Foreign Ministries.

[Unidentified reporter] What are these measures?

[Coutinho] Right now there is a meeting under way in Brazilia with the four guarantor countries. The meeting is taking place now. All four countries that are present here represent the guarantor countries to the Rio Protocol.

[Reporter] Will there be a demand for respect?

[Coutinho] Of course. We believe that those involved should also respect the Protocol.

[Osorio] I do not really have anything to add to the statement by the Brazilian ambassador, who is representing the guarantor countries, which have their seat in Rio and are now holding a meeting. We are confident that in the same way that we are tasked with ensuring that the Protocol is respected, we must also fully ensure that both sides also respect the Protocol. [end recording]

Fujimori Meets Foreign Minister, Military Leaders

PY3001163395 Lima Radio Programas del Peru Network in Spanish 1553 GMT 30 Jan 95

[Report by Carlos Alvardo Chavez from Government House—live]

[FBIS Translated Text] President Alberto Fujimori is meeting at Government House with Foreign Minister Efrain Goldenberg and high-ranking military leaders.

It has been learned that Democratic Constituent Congress President Jaime Yoshiyama Tanaka is also attending the meeting. The issues under discussion are not officially known, but it is presumed they are related to decisionmaking in connection with the military actions being carried out in the northern border region.

Deputy Foreign Minister Views Conflict

PA3001032695 Lima Panamericana Television Network in Spanish 0240 GMT 30 Jan 95

[Interview with Deputy Foreign Minister Eduardo Ponce by Guido Lombardi at the Panamericana Television studios in Lima; from the "Panorama" program—live]

[FBIS Translated Text] [Lombardi] Ambassador Ponce, good evening. Thank you for being on "Panorama."

[Ponce] You're welcome.

[Lombardi] There are many questions; there are many doubts. I believe this is a good occasion for you, as official spokesman for the Peruvian Government—at this moment—to clear up some of these doubts. For example, OAS Secretary General Cesar Gaviria has been received in a friendly manner by the Peruvian president, as he was previously received by Duran-Ballen. Nevertheless, it has been said—rather insistently—that the OAS is just being officious, or is just a glorified messenger, because participation by the OAS or the UN or anybody except the guarantor countries is incompatible. What role has Mr. Gaviria played in this issue, that of the conflict, the conflict on the northern border, Ambassador Ponce?

[Ponce] It is not incompatible. I thank you for the question because I think it allows me to give some essential explanations in this profusion of opinions—many times contradictory—that are probably normal in these worrisome cases. President Gaviria's action, as he has said himself—formally and informally—is an act of mediation. Acts of mediation are diplomatic actions which allow rapprochement between parties that are directly interested and involved in a problem, in a conflict, in a situation, in any type of discord of this nature.

[Lombardi] If I may interrupt, what further rapprochement do you need, when just 48 hours ago Ecuador recognized, for the first time in 35 years, the validity of the Rio de Janeiro Protocol? Would this not be sufficient for a Peruvian diplomatic initiative to bring the guarantors to the conflict zone, so that we could finish the border's delimitation and end the conflict once and for all?

[Ponce] It should. That is what we want; that is what we have always wanted. That is why we want the guarantor countries to play a specific, realistic, and active role based on the legal pledges which derive from the Rio de Janeiro Protocol. We will do this in an orderly manner. I talked about the OAS secretary general's mission and how it was not incompatible with the mission of the guarantors, especially on topics that go beyond just effecting rapprochement between the interested parties.

We have channeled a very important initiative through the OAS secretary general. We have invited the deputy foreign minister of Ecuador to come to Lima, to come to Lima and meet with me so that we may prepare a foreign ministers meeting. The foreign ministers meeting could be between the foreign ministers of Peru and Ecuador. And it can be much broader, precisely within the framework of the guarantor countries. Our initiative, which is being channeled through the OAS secretary general, is mentioned in a communique he issued, which I want to read. It is an initiative that proves our goodwill.

When this type of problem exists, international third parties are interested in trying to help achieve rapprochement between the parties. In this case Peru is the one

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seeking rapprochement, the one proposing, through the OAS secretary general, direct conversation with Ecuador.

[Lombardi] Would you please read Mr. Gaviria's communique?

[Ponce] With pleasure. The OAS secretary general, after personally meeting with the presidents of Ecuador and Peru, will remain in the region for the duration of the intensive consultation process which represents his goodwill mission. The secretary general has carried out negotiations in recent days with the presidents of Ecuador and Peru with the intention of seeking mechanisms to end the tensions prevailing on the Amazonian border between the two countries. Secretary Gaviria traveled to Lima and Quito yesterday and found that the two governments are willing to seek a peaceful solution to the border tensions.

Gaviria, who has emphasized the importance and consequence of the role played by the group of guarantors of the Rio de Janeiro Protocol—he lists their names—as an essential instrument for seeking solutions to the current situation, arrived in Santa Fe de Bogota from Quito.

Gaviria is in permanent communication with the two presidents, as well as with the group of guarantors.

Therefore, mediation is under way. We hope it yields results in the measure that our initiative allows, because it is an initiative of goodwill, and it is aimed directly at the Ecuadoran Government.

[Lombardi] This clears up doubts about the compatibility of the OAS secretary general's role in this case. His good offices are employed because he is a good friend of both countries and a top-level envoy. Cesar Gaviria took the Peruvian proposal to Quito when he returned there. He returned to Quito a second time, right? When would you normally expect a response to that Peruvian initiative?

[Ponce] Soon.

[Lombardi] Mr. Ambassador, there is an issue that I know is delicate. I present it with the consideration required by the current situation. We have received calls, both local and foreign calls, during the day, asking for information on the events on the border, on the military events at the border. I know you are a high-level diplomatic spokesman and not a military one. But, in general, the callers complain about the lack of information from the Peruvian Government's official channels. Right now you are partially responding to that concern, but only partially because the events are military events. There is talk of an Ecuadoran media disinformation campaign. But this disinformation campaign is made possible and cannot be refuted because there is no continuous flow of information from the Foreign Ministry and the Armed Forces Joint Command. Why not?

[Ponce] Look, Guido, on the first issue, about the events. You are right—I am a spokesman for the diplomatic front, to put it one way. Thus, what I can tell you, what I know, is that unfortunately a Peruvian helicopter was downed on Peruvian territory, but by a missile fired from Ecuadoran territory. Of course it is regrettable that this disgrace occurred within the framework of the recovery of a place as important as Cueva de los Tayos...

[Lombardi, interrupting] At the source of the Cenepa River.

[Ponce] At the source of the Cenepa River. All those actions are occurring at the source of the Cenepa River. I suppose that during this program you have referred to the location of the events. But in any case I would like you to allow me to refer to a map...

[Lombardi, interrupting] I think this is going to be useful as this situation is presented throughout Latin America. It will be useful as something that we Peruvians know about well enough but that is not generally known abroad. The camera will give us a close-up of the map you have in your hands, Ambassador Ponce. [video shows map of Ecuador-Peru border]

Ambassador, we now see the map on the screen. That point is the source of the Cenepa River. It is the part that has not been delimited, the 78 km...

[Ponce, interrupting] No, excuse me...

[Lombardi continues] ...that has not been marked. Excuse me for making the correction.

[Ponce] Your mistake is very common. It is common because the technique is not commonly understood. The border in this sector was delimited in the ruling issued by Bras Dias de Aguiar, a Brazilian expert. His survey was at the initiative of the Brazilian president. The two countries, Ecuador and Peru, accepted him as arbiter through notes exchanged by the foreign ministers. Thus the arbiter's ruling delimited the border along the entire Condor mountain range area. This delimitation was later confirmed by an estimation and empirical approximation by the U.S. Air Force developed over a prolonged period of time, because the task of mapping this area was very difficult. Planes were lost doing this photometric investigation. But thanks to these efforts, we obtained the empirical confirmation of the Bras Dias de Aguiar ruling. This ruling that we have pointed out... [pauses] I would like you to show it again. The delimitation established by Dias de Aguiar is very careful. It circumvalates the entire basin of the Cenepa River, leaving it entirely in Peruvian territory.

[Lombardi] Just as it leaves the entire Coangos River basin in Ecuador.

[Ponce] The Coangos River basin, right. Because it is a border that according to the spirit and the protocol had to be marked by land and not, for example, by rivers. Then this area is where the military actions occur. This

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area is Peruvian territory. The fact that Ecuadoran patrols have violated the border and patrolled this area does not mean a thing. The longer they stay there, the more serious the situation becomes. I don't mean by this that they have been there a long time. But they are there now and...

[Lombardi, interrupting] They were reportedly there until today.

[Ponce] There are still some patrols there. But I understand that the military actions are going very well.

Now, you broached another issue that I am interested in discussing—the disinformation campaign. It bears mentioning, the propaganda campaign being conducted by Ecuador.

That's right. They are conducting a propaganda campaign, and a good one at that. Ecuador was prepared for it. Ecuador was prepared, and unfortunately the recognition of the protocol's relevance has probably been some sort of montage in order to better carry out their attack and aggression against Peruvian territory.

[Lombardi] But even if Ecuador was ready, it explains but does not justify the lack of response from Peru. Peru was not ready for an information campaign, but it should have been quicker to respond. Why have they closed themselves in? What I am trying to say here, Ambassador Ponce, is this: If one were just slightly ill-intentioned one would say—and unfortunately we who are in contact with many and various news agencies around the world have had to listen to this—the Peruvian Government must be hiding something when it refuses to speak. Our ambassadors abroad are not talking. The Peruvian Foreign Ministry is not talking. The Joint Chiefs of Staff are not talking. It gives one the feeling that they are covering something up. Let us say the hypothesis is correct and that Ecuador has been preparing this for months. Peru should have had the capability to react immediately; that is why they prepare people like you. Do you agree?

[Ponce] Guido, we have not been silent. I am sorry to say this, but you are exaggerating. We have issued several communiques.

[Lombardi] One communique.

[Ponce] That is not true.

[Lombardi] No, you are right. There were several communiques, one of which was a 12-point communique.

[Ponce] There have been several very serious communiques. We are not in a war of communiques. We are handling a situation that affects not just Peru and Ecuador, but also affects peace in an area that is trying to modernize and move into the 21st century without such outdated actions. We do not believe in a propaganda war. These are vaudevillian actions in which they make this ridiculous claim reporting the use of helicopters that were supposed to be used in the drug war and provided as part of U.S. cooperation package. You know this has been flatly denied by the United States.

[Lombardi] We reported on that communique from the U.S. Embassy in Lima.

[Ponce] There are several other points in the communique in which the Armed Forces challenge that ridiculous charge. I am going to read a few of them so you can see how not, how not to handle these things.

[Lombardi] Please do, Mr. Ambassador.

[Ponce] They say several backpacks were found. Let me read it. In general, there has been low intensity action in the area today; the communique was issued on 28 January. However, during fighting that took place during the morning in the area known as Cueva de los Tayos a Peruvian soldier was captured and others fled, leaving behind 11 fully equipped combat backpacks, two grenades, and ammunition clips. This materiel is on its way to Quito to be presented to the public.

[Lombardi] It is obvious here that there is a campaign to misinform the people that could have a certain degree of influence abroad and could eventually reach border regions, where it would be of greater concern. I admit I did exaggerate. The Foreign Ministry, the president, and the Joint Chiefs of Staff have all issued communiques.

[Ponce] That is right.

[Lombardi] There is one by the Foreign Ministry that I find very clear and particularly important, because it describes the origins of the conflict and where it stands today, step by step, in 12 points.

[Ponce] You will excuse me, but yesterday the president spoke to the press.

[Lombardi] That is right.

[Ponce] He could not have been any calmer, more comprehensive, or better aimed at the Ecuadoran Government, the guarantor nations, the hemispheric community, or the international community, as a whole.

[Lombardi] I agree, but the fact is that military actions are happening right now, and we must speak conditionally, given the officious and unofficial information. Perhaps that explains—I apologize for this, Ambassador Ponce—my demand for more communication with the country and the world. I believe that national public opinion deserves details and permanent explanations of the current situation.

I will ask you something, even though I'm not sure you'll be able to answer. Why has this happened now? How do you explain it? You were Peruvian ambassador to Ecuador until just recently.

[Ponce] That's right.

[Lombardi] What might explain Ecuador's aggressive attitude?

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[Ponce] Well, you have a good memory. This recurs...

[Lombardi, interrupting] Every January.

[Ponce] These events recur in January. We know that. It is something we know based on our experience. It is something that can be historically ascertained. Right? Then, in the measure that there have been some internal problems in Ecuador... [pauses] These are well-known. They have been well-publicized because they are problems generated by charges leveled by a former president of the republic against a chief of the Armed Forces. He was chief in 1987, and then he became commander general of the Ecuadoran Army in 1991. Right now he is no less than the defense minister of Ecuador. He is chief of the military front. The charges are overwhelming—for example, that information was being withheld from the Ecuadoran people. I imagine, I must imagine that, given the nature of the charges, the Armed Forces of Ecuador felt quite harmed by them, and they have felt compelled to react—to react in a pretty excessive way—to prove exactly the opposite of what former President Febres Cordero has asserted.

[Lombardi] Right, former President Febres Cordero.

[Ponce] Consequently, I do not think I am speculating too much when I say this is probably the reason for such an absolutely irresponsible adventure.

[Lombardi] And absurd Ambassador Ponce, let us hope that the Peruvian Government's initiative issued through OAS Secretary General Cesar Gaviria will be answered by Ecuador, that guarantor countries may fulfill their role of guaranteeing the protocol's implementation, and that in a few hours we may all talk about the solution to a conflict that will now become secular. I thank you for your willingness to participate in this dialogue. I hope we will be able to hold one again in a matter of hours, and as long as the critical situation prevails.

[Ponce] I hope so, too, Guido. Thank you very much for this opportunity. But please allow me a few minutes more.

[Lombardi] With the greatest pleasure.

[Ponce] I think it is important that we say something. Even though Ecuador's recognition of the validity of the Rio de Janeiro Protocol has been contradicted by this action—which I have termed irresponsible and which certainly harms the peace and development of our nations—recognition of the protocol's validity is a specific action. This is stated in the communique from the Ecuadoran National Security Council, confirmed by the foreign minister of Ecuador, and reiterated by a series of Ecuadoran personalities.

This recognition implies—it implies, Guido—that the provisions of the Rio de Janeiro Protocol can be implemented to achieve what we have always sought, meaning the settlement of these disputes through the demarcation of the border. It also implies that Ecuador must restrict its actions and proposals to the recognized validity of the Rio de Janeiro Protocol. Its articles include one in particular, Article No. 9, which permits the border demarcation. The border demarcation is perfectly possible.

[Lombardi] Without an agreement between the two parties?

[Ponce] Evidently with an agreement between the two parties, because once Ecuador recognizes the protocol's validity, it naturally recognizes the effectiveness of its mechanisms, one of which is Article No. 9. Excuse me if I said 11—dyslexia, you know. We also believe that the guarantors must feel committed, not neutral.

[Lombardi] The article mandates that, am I right?

[Ponce] Article 5, Article 7, and Article 9 tell them exactly how to go about demarcating the border, wherever possible. I would like to add that recognition of the protocol's validity is the result of a continuous policy established by the Peruvian state and carried out over the years by the various administrations. The fact that it is happening now is probably the result of the intensification of such efforts. There is no Peruvian, Ecuadoran, or Latin American who is not aware of the fact that the president, despite the risks involved, has made three trips to Ecuador. Ecuador has not paid Peru any return visits.

[Lombardi] During that first trip, Peru offered an overall development plan, did we not? Ambassador, what is it the people want in Miraflores, Aguasverdes, or even Quito? They want peace, tranquillity, and direction. This is not a war yet. The president called the incidents skirmishes. These may be more than simple skirmishes, but it is by no means a war. But it has already cost us and Ecuador incredible amounts of money, funds that should have been spent on common development. Do you agree?

[Ponce] The president has given strict orders, strict orders that the problem be kept in proportion and contained within the specific area of the dispute. Furthermore, the orders state that there must be absolutely no violation of the border, nor should we cross the line that we respect and for which we demand respect.

[Lombardi] Elsa Ursula just said via relay that towns near the border are being evacuated, but closer to Tumbes and the coast, not in the conflict area. I think we could try and calm the border region's population by asking if you are aware of any evacuation operations. We do not know if the military ordered this or if it was a suggestion by political authorities. Can you tell us anything about this?

[Ponce] Unfortunately I do not have any information on that. I suppose such preventive measures are normal

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under current circumstances, particularly because civilians living in border regions would be the unjustifiable victims of the conflict.

[Lombardi] Can you offer us some peace of mind? One always looks for the positive side of situations like this. No matter who is responsible, these things are always negative. There are still things that afford us some degree of tranquillity. Amid this disinformation campaign that you described earlier and on which we reported, Peruvian reporters dispatched to Quito to report on the situation there were mistreated. A reporter from Quito's HOY newspaper, Francisco Febres Cordero—he has the same last name as the former president—reports on day-to-day life in Lima. Jose Marino had already reported this, and now I have the article in my hand. HOY's headline says: Border Conflict. But Francisco Febres' article speaks of a normal Saturday here in Lima.

Things here in Lima are absolutely calm. The people in the street seem to be unaware there is a conflict, while the war, or the possibility of war, seems to be the creation of a madman. He adds, and I would like to underscore this: It's funny, he says, and admirable at the same time. Every time I say I am Ecuadoran I am treated in a way that surpasses politeness and borders on affection. There are never any obstacles whenever I show my press pass to get information or to gain access anywhere, including the Presidency. This just demonstrates that there are good spirits and good intentions between us. Ana Karina Lopez, EL COMERCIO's special envoy in Peru, reports in these same terms.

How can we get this same spirit to surface in the Foreign Ministries? Actually, as the Peruvian ambassador to Ecuador, you played an important role in showing that the Ecuadorans recognize what their government has just recognized: that the protocol is valid and that its implementation is necessary to end to this story. Am I right?

[Ponce] I want to make two observations. Francisco Febres Cordero is a brilliant political humorist and a man of goodwill. Ana Karina Lopez is also a journalist who follows bilateral affairs with dedication and commitment. They are not the only cases. This is true. They are not the only cases because there is an all-out trend in Ecuador, and it is very good that you have linked it to this information, which I thought was my obligation to reveal, on the true feelings of the Ecuadorans at a given moment. Or, I should say, at several moments, because, the results of that poll also were seen in not just one but seven polls conducted in four consecutive years, between 1990 and 1994. Those results, compiled by an Ecuadoran firm called Informe Confidencial, showed that there was an increasing degree of acceptance of the Rio de Janeiro Protocol within the spirit, purpose, and objective of closing the border.

[Lombardi] Oddly enough, closing the border will allow it to be opened.

[Ponce] That's right, Guido. And, the disclosure of that information, which caused me so many aggravations in Ecuador—but I'll tell you this, the understanding of some people who look more to the future than to the past is what allowed us to be aware. And I believe that they too... [pauses] that this is ultimately surmountable. And now I believe it will be more so thanks to this acceptance of the validity of the protocol that will allow us to implement specific norms that are legally binding for both countries.

[Lombardi] I would like to take advantage of your good disposition to refer, finally, to what our joint development project should be. This is included in the extensive proposal that President Fujimori gave to his then-counterpart, President Borja. In the past few days, when I have talked to politicians, experts in international politics, people linked to the issue, I have been told repeatedly that perhaps the way—besides the intervention of the guarantors, the good offices of the OAS—that Peru's objective should be to turn those border areas into living borders by populating them, converting them into centers of development and places where Peruvians can come in. They would then cease being the inaccessible mountains that permit the confusion that is so occupying us in these last few days. What are the chances of turning the Peruvian borders, in general, and those in the north specifically, into living borders?

[Ponce] There are many chances for this. We submitted to the Ecuadoran public profiles of 37 projects. I believe we fell short because there are more possibilities, possibilities that are so fundamental like the ones offered by fisheries, irrigation through development of basins such the Puyango Tumbes, Catamayo Chira...

[Lombardi, interrupting] The electricity that could be generated...

[Ponce] The electricity that we need in Tumbes and that Ecuador can sell to us. Projects, even in the oil sector, because obviously, oil fields are trans-border projects, projects in the mining sector and this...

[Lombardi, interrupting] There is talk of uranium, oil, and gold in this Condor mountain range area. If there any truth to such reports?

[Ponce] Of course. You should recall that historically and since the time of the chronicles, the Condor area has been identified as an auriferous area. It is a gold panning area, but more than this, it is an area of rich auriferous fields that are being exploited by a very important Canadian firm in Ecuador...

[Lombardi, interrupting] Why not in Peru?

[Ponce] The same thing has been reported in Peru, and I suppose they are being been explored. Therefore, I see that in having this type of resources there are not only possibilities but demands for peaceful coexistence. Because it is impossible to develop economic resources without peaceful coexistence. For navigation, we would very much like to be able to complete Article 6 of the Rio de Janiero Protocol...

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[Lombardi, interrupting] That gives access to the Amazon.

[Ponce] That it has never wanted to use so as not to recognize the Rio de Janeiro Protocol.

[Lombardi] What kind of access does Article 6 give Ecuador?

[Ponce] It gives it access now, a much richer access if a free trade and navigation treaty is reached. Existing access gives them the same rights we have given Brazil and Colombia. In the bilateral agreements we reached with Colombia in the 1930's, we have very specific regulations on navigation. According to Article 6 of the Rio de Janeiro Protocol, this regulation can be used by Ecuador, which has the right to use it as long as the free trade and navigation treaty, which is referred to in the same article, is not negotiated.

[Lombardi] If I may, could we return to the map for a second, please? Does this mean Ecuador would only have access to the Maranon River and therefore to the Amazon River through these rivers? I mean the Santiago River and the Amazon basin in general.

[Ponce] It involves all rivers in the Amazon basin that begin in Ecuador and empty into the Amazon River. Some of them are navigable but others are not. The Cenepa River is not navigable at all.

[Lombardi] But the Santiago River certainly is, right?

[Ponce] The Santiago River is more navigable, but the Napo River, for example, is much more navigable. The Morona River is a river on which people working on Ecuador's highways have been allowed to take machinery from Ecuadoran territory to Brazilian territory. They were from the Andrade-Gutierrez Construction Company. In other words, positive things can be done within this kind of activity. It is well known that certain barges are using the Napo River—informally, because informal things are sometimes done more efficiently than formal things.

[Lombardi] Peruvian and Ecuadoran barges used for trade.

[Ponce] Mostly Peruvian barges. They bring provisions to the port of Orellana, which is also called Coca, on the Napo River. It is undoubtedly Ecuador's most important Amazonian port, but it has some limitations.

[Lombardi] Will this painful experience—I think it has been painful despite the small number of casualties because a family's sorrow makes everyone deplore these incidents—somehow help these towns in the border zone?

[Ponce] Certainly, Guido. That is the hope of all of us. I repeat. This recognition of the Rio de Janeiro Protocol's validity will allow respect for the law—because there is no order, there is no peace, and there is no possibility of coexistence without respect for the law—so we have reasons to feel hope, once we are able to overcome the painful situation we currently face on the border.

[Lombardi] Who are the guarantor countries' representatives as far as the Rio de Janeiro Protocol's implementation is concerned? The foreign ministers? The U.S. secretary of state, in the case of the United States? The ambassador of a given country? Who can fulfill the role of guarantor? I am talking about people—the countries are an entelechy. Who should adopt the initiative and decide in this case? The foreign minister of each country?

[Ponce] That is the evident decision to be made, no? But I want to tell you and the viewers how these mechanisms have worked. The coordination center is located in Brazil. The secretary general of the Itamaraty Foreign Ministry is usually in charge. The Itamaraty secretary general summons the ambassadors of the other four... [pauses] three guarantor countries to Brasilia, and they generally coordinate things with the ambassadors of the nations directly involved, meaning Peru and Ecuador. Concurrent with this coordination mechanism in the capital of Brazil, the foreign ministers of Ecuador and Peru... [pauses] This has occurred in Peru's case because Ecuador, as you know, did not like the guarantors except as friends. In our case, we have permanently summoned the guarantor countries. We have done it, as you well know, on various occasions throughout the last few weeks.

[Lombardi] Yes. Ambassador Ponce, thank you very much for the patience with which you have answered my questions. I believe these are the same questions asked by a large sector of the country. I insist that communications should be constant over the next few hours and days. Thank you again.

[Ponce] I am at your service, Guido, and I thank you very much for this opportunity to clearly explain ourselves.

Foreign Ministry Issues Note on Conflict With Ecuador

PA2901013495 Lima Radio Programas del Peru Network in Spanish 2300 GMT 28 Jan 95

["Information Note" issued by the Press Directorate of the Peruvian Foreign Relations Ministry in Lima on 28 January; from the "Newspaper of the Airwaves" newscast—read by announcer]

[FBIS Translated Text] 1. The Protocol of Peace, Friendship, and Borders of 1942 signed by Peru and Ecuador on 29 January of that year in Rio de Janeiro—with the assistance of Argentina, Brazil, Chile, and the United States of America as guarantor countries—definitely established the borders between Peru and Ecuador, thereby ending a century-old territorial dispute. This treaty was freely ratified by the congresses of both

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countries and the exchange of ratification instruments was made in a solemn ceremony. Therefore, it is fully in force.

2. In compliance with this border treaty, between 1942 and 1950, the Mixed Border Demarcation Commission placed border markers along approximately 1,600 km of the border—95 percent of the border.

3. The differences that emerged during the demarcation process in the eastern section of the border were settled in 1945 by the ruling issued by Brazilian arbiter (Bras Dias de Aguiar). This was accepted by both Peru and Ecuador. In 1947, an aerial photographic survey conducted by the U.S. Air Force at the request of the two countries helped determine the line that, by virtue of the arbiter's ruling, the border should follow in the area of the Condor Mountains.

4. The area of the recent incidents is located between the 20 November Marker in the north and the headwaters of the Cenepa River in an undemarcated sector of the Condor Mountains. As can be seen, the area described in the ruling by (Dias de Aguiar) and the water divide identified by the 1947 U.S. survey belongs to Peru.

5. Despite the fact that the demarcation was not concluded in a small area of the sector of the Condor Mountains, Peru and Ecuador have exercised their corresponding territorial rights, using in fact this mountain range as a border between the two countries. The demonstration of this [word indistinct] possession lies in the fact the Peruvian surveillance posts have always been located on the eastern side of the range, while Ecuadorans have placed themselves on the western side. This situation was even recognized internationally in 1981 when the illegal occupation by Ecuador of the (Falso Paquicha) Post was demonstrated. This post is located in the eastern sector of the Condor Mountains—in other words, in Peruvian territory.

6. As stated in Official Communique 001-95, on 9 and 11 January, Peruvian Army patrols returned fire from an Ecuadoran patrol in an area Ecuador calls Cueva de los Tallos, located in the area surrounding the Cenepa River. This is on the eastern side of the Condor Mountains and, therefore, Peruvian territory, according to the Rio de Janeiro Protocol and the (Dias de Aguiar) mediation.

7. In light of the unacceptable position assumed by Ecuador, Peru reacted with prudence, calling for a diplomatic and peaceful solution through direct talks between both governments through Communique 001-95.

8. During this diplomatic process, the Government of Ecuador in an unprecedented acceptance of the Rio de Janeiro Protocol employed mechanisms set forth in this treaty, convening the ambassadors of guarator countries to request cooperation from their governments to resolve the border situation.

9. Prompted by this positive attitude of Ecuador, Peru greeted this decision and reiterated its desire to conclude the border demarcation process in keeping with the Rio Protocol in order to eliminate tensions that frequently alter coexistence between both countries.

10. As everyone knows, in a surprising manner and amid the diplomatic consultation process, two hours after the aforesaid Peruvian pronouncement dated 26 January, Communique 002-95, an Ecuadoran helicopter bombed a Peruvian surveillance post located approximately 4 km from the border within our territory.

11. In light of this aggression and in the defense of our territorial integrity, the Armed Forces began military actions designed to prevent the infiltration of Ecuadoran patrols along the eastern side of the Condor Mountains following precise instructions from the National Defense Council. These operations are being carried only and exclusively within Peruvian territory.

12. In the end, Peru is the country that has been attacked and is acting in the legitimate defense of its territorial sovereignty. The military actions are being exclusively carried out within Peruvian territory, according to the 1942 Rio de Janeiro Protocol and the 1947 ruling issued by (Bras Dias de Aguiar).

Peru is willing to resolve this situation within the only applicable legal framework—that is, in keeping with the mechanisms outlined in the 1942 Rio de Janeiro Protocol, including the full participation of guarantor countries.

[Dated] Lima, 28 Janua.y 1995

[Signed] Press Directorate of the Foreign Relations Ministry

Ministry Denounces 'Disinformation Campaign'

PA3001061395 Lima Radio Programas del Peru Network in Spanish 0230 GMT 30 Jan 95

[Press release issued by the Foreign Ministry Press Directorate in Lima on 29 January; from the "Newspaper of the Airwaves" newscast—read by announcer]

[FBIS Translated Text] The Ecuadoran Government has been conducting a systematic disinformation campaign, distorting events before its own people and the international community.

Here are some of the points intentionally distorted:

1. The communique the OAS secretary general issued today dismisses the biased statements made by the Ecuadoran Government claiming that Peru has rejected the well-intentioned efforts conducted by OAS Secretary General Cesar Gaviria. The aforementioned communique said that after meeting with the Ecuadoran and Peruvian heads of state yesterday, the OAS secretary general found in both governments a willingness to seek a peaceful solution to the tensions along the border.

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The communique added that Gaviria is currently in Santa Fe de Bogota, where he is conducting intensive consultations. President Fujimori's statement regarding Gaviria's visit recognized his well-intentioned efforts and stressed the precise scope of those efforts by explaining that the Rio de Janeiro Protocol expressly calls for the involvement of the guarantor countries of this instrument—Argentina, Brazil, Chile, and United States. Article 5 of the protocol specifies that the efforts conducted by these countries will continue until the final demarcation of the border between Peru and Ecuador is completed. In this way, the protocol and its implementation remain under the guarantee of these four countries.

This is the clearest interpretation of the OAS communique, which noted that the secretary general has stressed the importance and significance of the role played by the group of guarantors. This was corroborated by Gaviria's statements to the Peruvian press, when he said his actions will complement those efforts being conducted by the countries guaranteeing the Rio Protocol.

The mechanisms outlined in the Rio Protocol, which is recognized by both Peru and Ecuador, are currently operating in the form of the intensive efforts conducted by those countries trying to resolve the situation within the provisions of the aforementioned international instrument.

2. In a speech delivered today in Quito, President Duran-Ballen said: Some 24 hours after the events began, when the mediating commission asked me whether Ecuador would agree to a cease-fire that would mean demilitarizing an area and withdrawing to other towns, I said no; I said no, and I refused to withdraw. This statement unveils Ecuador's aggressiveness. The Ecuadoran president also categorically reiterated his refusal to accept a possible separation of forces when he said on 27 January in Quito that he was willing to accept a cease-fire, but without withdrawing.

Therefore, it is clear that, for Ecuador, a cease-fire means validating its invasion of Peruvian territory; ignoring the border that was definitely established under the Rio Protocol, as well as by the ruling from arbiter Dias de Aguiar; and arbitrarily pushing the guarantor countries around, forcing them to accept events as it sees fit.

3. The Ecuadoran Government's outrageous position, which is increasing tensions and encouraging the creation of a generalized anti-Peruvian warmongering climate in that country, is regrettable. This greatly contrasts with the serene and judicious position assumed by Peruvian authorities.

The unending vehement calls by President Duran-Ballen; the propaganda touting the loss of human lives for political purposes, which, naturally, all of us should lament; and the claim by Ecuadoran authorities of the use in the conflict of U.S. helicopters that are part of U.S. cooperation with Peru to combat drugs—a charge that was categorically denied by the U.S. Embassy in Lima today—are all examples of this irresponsible behavior. The official declaration of a state of emergency and national mobilization are an institutional expression of that position.

4. On top of all this, we must add the permanent harassment of Peruvians who reside in that country, who have been forced to take steps in advance of their pending expulsions. This position affects members of the press, as was the case of Radio Programas del Peru special correspondent Jose Marino. This position contradicts the broad freedom and safety under which Ecuadoran journalists perform their work in Peru, as they themselves have recognized.

In addition, this situation creates doubts about reports from official Ecuadoran sources. The atmosphere the Ecuadoran Government is intentionally creating is tending to increase antagonism and makes it more difficult to find a solution to the conflict. It also gives the impression that all of these events are part of a premeditated plan for an Ecuadoran attack.

[Dated] Lima, 29 January 1995

[Signed] Foreign Ministry Press Directorate

Congress Alert To Developments on Ecuadoran Border

PY2701205995 Lima Radio Programas del Peru Network in Spanish 1800 GMT 27 Jan 95

[Report by Eduardo Lindo from Congress—live]

[FBIS Translated Text] [Lindo] We are going to briefly chat with [Independent Moralization Front, FIM] legislator Fernando Olivera, who has just meet with Congress President Jaime Yoshiyama Tanaka regarding the Ecuadoran issue.

What information has he given you regarding this development in northern Peru?

[Olivera] The FIM has requested an urgent meeting with the president of Congress to learn about the Peruvian Government's reaction to this unjustifiable attack by Ecuador. We have told the president of Congress that the Peruvian Government's response must be firm, energetic, and immediate. Mr. Yoshiyama has informed us that this response was issued at dawn today, and because there are two levels, including the military level, this firm and energetic response, which will be the subject of an official communique that should be issued in the next few hours, has already been issued at the very site of the developments. He also informed us that a diplomatic offensive will in fact be launched to avoid giving the international community false information. This offensive would start with the Foreign Ministry summoning the ambassadors of the guarantor countries of the Rio de Janeiro Protocol for a meeting. We have also proposed

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that Congress be kept permanently informed and that the possibility of summoning a plenary session be taken into account.

[Lindo] What has the president of the CCD [Democratic Constituent Congress] said about this possibility of convening a plenary session?

[Olivera] The president of Congress has said it is a reasonable proposal and that it all depends on developments within the next few hours. We are also closely following the attitude of the Ecuadoran authorities because there are obviously different viewpoints. One of them, which Peru has officially commended, is the Ecuadoran Government's official stance of respecting the Rio de Janeiro Protocol but, at the same time, we have this unjustifiable attack. This is why we, in our capacity as members of Congress, must also be in a state of alert, ready to give a united, firm, and patriotic answer.

[Lindo] In this sense, what role do the guarantor countries of the Rio de Janeiro Protocol play in terms of getting Ecuador to sit at the negotiating table, and so that the landmarks missing along the 78-km stretch are installed?

[Olivares] The only role they must play is to see that the Rio de Janeiro Protocol be loyally observed and that the demarcation of the border be completed within the framework of the terms of the Rio de Janeiro Protocol. Therefore, it is up to them to take an initiative to avoid provocations that only benefit the merchants of death who try to promote militarism and attacks, instead of seeking harmony and peace, which is what the people of Peru and Ecuador desire.

Legislator Urges Backing Government on Border Issue

PY2701222995 Lima Radio Programas del Peru Network in Spanish 1800 GMT 27 Jan 95

[FBIS Translated Text] [Change 9-New Majority] Legislator Carlos Torres y Torres Lara has urged all Peruvians to remain united and avoid any domestic conflicts in order to be able to face the developments promoted by Ecuador.

The legislator said he was in favor of continuing with the dialogue and of promoting, at an international level, the Peruvian theory regarding the territorial demarcation of the Jimenez Banda sector.

[Begin Torres y Torres recording, in progress] ...we need to be persistent and firm and hold dialogue, not only with our brother Ecuadoran people but also with the international institutions, because, with time, we are going to win, since we are right. But for this we need to maintain a consistent stance and clarify matters at an international level. This border issue is one of the most difficult to solve because the two countries handle secret information. Therefore, for national security reasons, the citizenry in general are not aware of all there is to know about this conflict. Therefore, this is one of the few cases in which the people must support the Peruvian authorities' stance. [end recording]

Fujimori Said Personally Conducting Military Operations

PY2701190195 Lima Radio Programas del Peru Network in Spanish 1814 GMT 27 Jan 95

[Report by Carlos Alvarado Chaves from the Peruvian Army Headquarters—live]

[FBIS Translated Text] President Alberto Fujimori has spent all morning at the Army headquarters, known as the Pentagonito [small Pentagon], where he is closely following the incidents that occurred on the northern border.

It has been disclosed that the chief of state, who is personally conducting the military operations, is also personally coordinating the participation of the guarantor countries of the Rio de Janeiro Protocol so that this problem may be solved through peaceful means.

There is no official information at government palace yet but it has been leaked that the Foreign Ministry will soon issue an official communique.

Tours Border Area, Returns to Lima

PA2801190095 Lima Radio Programas del Peru Network in Spanish 1636 GMT 28 Jan 95

[Report by Walter Samuel Neira in Tumbes]

[FBIS Translated Text] President Alberto Fujimori is now back in Lima after flying over Jaen and Cajamarca, according to unofficial reports by spokesmen of the Captain Pedro Canga Rodriguez Airport, where we are right now. Local reporters, as well Lima reporters, waited in vain for the president of the republic to hold a dialogue. This was impossible because the head of state did not reach this zone.

We have been told that OAS Secretary General Cesar Gaviria will arrive in Lima in a few hours. We have been able to hear Ecuadoran radio stations close to the border. President Sixto-Duran Ballen met with the Cesar Gaviria, OAS secretary general and former president of Colombia. No official information was given on what they discussed. There is nothing because they failed to give statements, according to the Ecuadoran radio station we heard here in Tumbes.

Also, it was reported that, once the meeting ended, Gaviria left for Lima for a dialogue with President Alberto Fujimori, who is back in the capital, as we have stated.

Armed Forces Joint Command Releases Official Communique

PY2801010595 Lima Radio Programas del Peru Network in Spanish 0011 GMT 28 Jan 95

[Report by Patricia Echegaray from mobil unit—live]

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[FBIS Translated Text] This is a direct report from the Armed Forces Joint Command Headquarters where the official Army communique on the conflict with Ecuador is about to be released.

[Unidentified military official] Armed Forces Joint Command. In relation to the events taking place in our northern border region, the Armed Forces Joint Command hereby informs the national and international public of the following:

1. Two hours after the Peruvian Government expressed its satisfaction over the explicit Ecuadoran recognition of the Rio de Janeiro Protocol, the Ecuadoran Armed Forces attacked a sentry post inside Peruvian territory.

2. The actions being carried out by our Armed Forces are restricted exclusively to preventing Ecuadoran patrols from infiltrating our territory, and to preserve our national sovereignty and territorial integrity in compliance with the mission entrusted by the Peruvian Constitution.

3. In this regard, the guidelines given by the Peruvian Government put special emphasis on the military actions not being carried out on the other side of the border in order to prevent the escalation of the military confrontation in accordance with the unyielding peaceful position advocated by Peru.

4. The Armed Forces, following the expressed orders of the president of the Republic, have established as their goal that the borderline established by the Rio de Janeiro Protocol and the arbitration decision of Brazilian Dias de Aguiar be respected.

[Signed] Armed Forces Joint Command

[Dated] Lima, 27 January 1995

Hundreds of 5th Military Region Troops Leave for Border

PA2901021995 Paris AFP in Spanish 0028 GMT 29 Jan 95

[FBIS Translated Text] Lima, 28 Jan (AFP)—Hundreds of troops from the 5th Military Region based in Iquitos in northeast Lima left this afternoon for the Cenepa River to support operations along the Peruvian-Ecuadoran border, it was been announced officially.

A spokesperson for the 5th Region said "heavily armed" Army troops are gathering at Andoas, near the Ecuadoran border, to move into the theater of operations in the Cenepa River Valley.

"As soon as it was learned that an Ecuadoran helicopter had attacked a Peruvian military post, meetings were initiated and the situation in the crisis area was reviewed, as was the most effective ways to provide support," the military spokesperson stated.

Also, it was learned that the 5th Military Region is awaiting orders from Nicolas Hermoza, commander in chief of the Armed Forces, to deploy helicopters and aircraft along the border.

Troops Dislodge Ecuadorans From 3 Surveillance Posts

PA2901162495 Paris AFP in Spanish 1540 GMT 29 Jan 95

[FBIS Translated Text] Lima, 29 Jan (AFP)—Citing military sources, Lima newspapers have reported that on Saturday and Sunday Peruvian forces transported by helicopter retook three surveillance posts in the area of the Condor mountain range that had been occupied by Ecuadoran forces.

There were dead and wounded in the fighting, but the number of casualties was not revealed due to the strict secrecy with which the Peruvian military operations are being handled.

According to the reports, forces of the 5th Jungle Infantry Division participated in the fighting. This division is headquartered in the El Milagro district (Utubamba province, Amazonas Department), about 800 km northeast of Lima.

The "bloodiest" clashes took place on the banks of the Cenepa river, in the Condor mountain range, where land forces and helicopter units "effectively" dislodged the Ecuadoreans from the three posts.

General Vladimiro Lopez, the commander of the 5th Jungle Infantry Division, refused to provide details of the operations or the number of casualties. The division has been strongly reinforced with troops brought in from Tarapoto (San Martin) and Iquitos (Loreto).

The reinforcements and supplies arrived yesterday at the airport of El Valor, owned by Petroperu, and from there were taken by land to Imazita, the theater of operations, where the Ecuadoran forces had set up three bases.

'Unofficial Military Sources': Border Posts Recovered

PA2901205695 Madrid EFE in Spanish 1749 GMT 29 Jan 95

[FBIS Translated Text] Lima, 29 Jan (EFE)—Unofficial military sources announced today that after fierce fighting Peruvian troops were able to recover three border posts "invaded" by the Ecuadoran Army.

The recovery, the sources added, was achieved in a military operation during which "our soldiers inflicted numerous casualties," and several "Ecuadoran soldiers were captured."

The sources indicated that the combat zone is located between the Cunhuime Sur and 20 de Noviembre markers, specifically, in the Cenepa River basin inside the border region that has not yet been demarcated.

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The evolution of the military operations indicates that they will last several more days "unless political decisions for a cease-fire are adopted," the sources added.

According to EL COMERCIO, several officers preparing to travel to the conflict region stated that "there is a long way to go."

The newspaper, also quoting military sources, reports that the brunt of the fighting has fallen to infantry troops. but armed helicopters, and in some cases Peruvian Air Force (FAP) aircraft, have also been taking part.

The soldiers involved in the fighting belong to the 5th Infantry Jungle Division, headquartered in El Valor community, which is located in a region bordering the Cajamarca and Amazonas Departments.

Division Commander General Vladimiro Lopez Trigoso is responsible for the "theater of operations" and for implementing Peruvian Army tactics during the conflict.

Peru's Russian-made MI-8 and M-17 helicopters and U.S.-made Bell 212 and Bell 214 helicopters have fired rockets from a distance of 1 km against positions controlled by Ecuadoran soldiers "in order to allow our ground forces to advance."

In addition, A-37 fighter bombers equipped with machine guns and multipurpose bombs have carried out "umbrella operations" [acciones de sombrilla] that consist of low-altitude flights over Ecuadoran positions in order to distract the Ecuadorans and "instill courage" in Peruvian troops.

The Peruvian Armed Forces High Command has simultaneously placed its Army, Navy, and Air Force on full alert against its northern neighbor.

The Peruvian Navy has mobilized 25 ships, surface and submarine, in addition to landing troops toward the northern coastal region bordering Ecuador, and part of its naval force toward the Cenepa River.

The FAP has reinforced its fighter squadrons in northern and eastern Peru with Sukkoi, Mirage 2000, and A-37 aircraft. In addition, it has mobilized air defense batteries equipped with SAM and similar missiles.

Dislodgment of Ecuadoreans 'Almost Complete'

PA2901191095 Lima Panamericana Television Network in Spanish 1754 GMT 29 Jan 95

[FBIS Translated Text] Here is an exclusive last-minute report just arrived from the area in conflict. This morning the Peruvian Armed Forces deployed troops to dislodge the Ecuadoran troops that infiltrated our territory. Military operations are taking place in the area known as Los Tayos. This area belongs to Peru. The operations were successful. At the time of this dispatch, the dislodgment of the invading troops is almost complete, and is being accomplished with only a few skirmishes in the area.

This same report, which is an exclusive Panorama television report, textually says: Highly reliable sources have said that yesterday's report claiming that the Peruvian Armed Forces have suffered casualties is false. Only one lieutenant has been wounded, and no one has been killed. The lieutenant has already been evacuated from the area and is on his way to recovery.

Troops Following Fujimori Orders To Prevent Incursions

PA2901212195 Lima Radio Programas del Peru Network in Spanish 1800 GMT 29 Jan 95

[From the "Newspaper of the Airwaves" newscast]

[FBIS Translated Text] Over 5,000 Peruvian troops equipped with artillery are zealously watching seven points of combat in Zarumilla Province, one of the most carefully protected areas on the border with Ecuador. The armed Peruvian contingent is strictly following President Alberto Fujimori's orders: prevent any enemy incursion without crossing the border.

According to military spokesmen, Peruvian Navy boats are reinforcing surveillance on our coast while the deployment of Airborne Division members is continuing at other points along the border. Morale among Peruvian troops is high despite the 35-degree heat and the heavy rains that have been falling in that part of the country for many days.

Flag-raising ceremonies were held throughout the city early this morning in Zarumilla, and a civic-patriotic ceremony was held in the main square to mark the 53th anniversary of the signing of the Rio de Janeiro Protocol to establish the territorial limits between Peru and Ecuador. The national flag was raised and the national anthem sung during the ceremony, which was attended by civilian and military authorities.

Moreover, military sources have reported that more than 40,000 natives from 180 native communities in Condorcanqui, Amazonas Province, which is close to the conflict zone with Ecuador, are beating the drums of war for the defense of their lands.

Roman Chajian, defense secretary of the Aguaruna-Huambisa Council, notified military authorities in the zone that they are prepared to defend the homeland and are alert for any possible situation.

The native communities, located near the Cenepa River, agreed to reject Ecuador's interference in the homeland's territory. The Indians have stated that they will defend their lands as they have done on previous occasions.

Antiaircraft Batteries Mobilized; Mirages Sent to Border

PA2901214995 Lima Radio Programas del Peru Network in Spanish 1800 GMT 29 Jan 95

[Report by Jorge Fernandez Sanchez from Chiclayo; from the "Newspaper of the Airwaves" newscast—live]

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[FBIS Translated Text] Sophisticated antiaircraft surface-to-air guns are being mobilized by Peruvian Air Force [FAP] personnel from Chiclayo Base. Although the FAP military command in this zone is maintaining strict secrecy, it has been learned that antiaircraft weapons are being deployed at strategic points in this city, where a FAP military base is located.

A squadron of Mirage warplanes has taken off from here, en route to the conflict zone, specifically Piura. Meanwhile, other pilots remain in their planes awaiting orders to take off for the conflict zone if necessary.

Reliable sources said the surface-to-air batteries will comprise a barrier to protect the city from the coast to the mountain and jungle zones. In addition, soldiers from the Lambayeque barracks have already arrived in the conflict zone along with other battalions of the Army's Cajamarca Division.

The mobilization of military forces continues in civilian trucks owned by fishermen in Santa Rosa and other hamlets. They have placed their mobile units at the Army's disposal to protect and strengthen Peruvian Army units. They are also using trucks from the Carhuaquero and Olmos hydroelectric projects. According to reliable sources, the entire northern border from Tumbes to the disputed area is protected.

Reports received here indicate that soldiers posted at Lambayeque also are continuing their mobilization toward the conflict zone as part of the Armed Forces Joint Command's strategic plans.

Morale Said High Among Soldiers Stationed Along Border

PA2901222695 Lima Radio Programas del Peru Network in Spanish 1817 GMT 29 Jan 95

[Report by Walter Samuel Neyra]

[FBIS Translated Text] We now can report that the advance contingent of our Armed Forces, which is stationed at the Ecuadoran border itself, has very high morale and is ready to defend the integrity of national territory. The border in this part of the country lies between Tumbes Department in Peru and Loro Province in Ecuador; it is 35 km long. The Sarumilla River runs through most of the border area and is, therefore, a natural demarcation.

We report that residents of Papayal and La Palma Districts, as well as residents of the communities of Limon, Una de Gato, Cuchareta Alta, and Cuchareta Baja, which are located approximately 14.5 km from Sarumilla, do not want to flee the area or leave their crops and animals behind. They are willing to continue joining Army reservists to reinforce the border area.

Ecuadoran Troops Said Reinforcing Positions on Border

PA3001035795 Lima Radio Programas del Peru Network in Spanish 0229 GMT 30 Jan 95

[Report by Samuel Neira; from the "Newspaper of the Airwaves" newscast]

[FBIS Translated Text] Over the past few hours in the border region, we have witnessed first-hand the frantic digging of combat trenches and the installation of long-range cannon and heavy artillery by Ecuadoran forces in Carcabon, Quebrada Seca District, El Oro Province, which can be accessed via a paved road.

We also detected intensive movement of motorized vehicles amid the green vegetation in the area where troops have been deployed and the theater of operations has been mounted.

We also visited the Una del Gato village, located in El Zapallal, Zarumilla Province. The residents in this town—approximatley 400 families—are displaying the national flag in a demonstration of civic awareness. The situation here is apparently calm. We will continue reporting from this part of the country.

Infantry Division Communique Denies Ecuadoran Reports

PA3001062495 Lima Radio Programas del Peru Network in Spanish 0557 GMT 30 Jan 95

[Official communique issued by the Peruvian 1st Infantry Division's General Command in Tumbes on 29 January—read by reporter Samuel Neira in Tumbes; live]

[FBIS Translated Text] 1. Ecuadoran media have insistently reported that it was we who invaded their territory in a sector of the Condor mountain range, which is not true. We have again evicted them like we did in 1981.

2. Members of the Armed Forces posted in Tumbes recognize the high-minded civic spirit shown by the people of Tumbes and the permanent support they give to the Armed Forces, particularly today, during the ceremony raising the national flag.

3. The citizens of Tumbes must remain calm and trust their Armed Forces at all times, because they are prepared to face any eventuality and protect the population.

4. The activities carried out are merely provisions adopted by the soldiers to fulfill our mission of defending territorial integrity as stated by the state's political constitution.

5. The Armed Forces' morale is quite high. Its members and sophisticated weaponry will afford them victory, if their use is necessary.

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6. The Peruvian soldier is a soldier who has been in permanent combat for 13 years and has sufficient experience to achieve victory.

7. Peru is a country which hopes to achieve progress in an atmosphere of continental peace and solidarity. We are a country that respects international agreements and treaties—the historical riches we possess so determine it—but we will not let any Ecuadoran enter Peruvian territory with the intention of invading us.

Long live Tumbes! Long live Peru!

Tumbes, 29 January 1995

Armed Forces Joint Command Admits Downing of Helicopter

PY3001144695 Lima America Television Network in Spanish 1319 GMT 30 Jan 95

["Text" of Armed Forces Joint Command Communique No. 2]

[FBIS Translated Text] Official Communique No. 2. The Armed Forces Joint Command reports to the public the following:

1. The military operations continue to expel the Ecuadoran troops that have infiltrated our territory.

2. The Peruvian Army was able to recover the Cueva de los Tayos zone by expelling the invaders. One officer and one solider were wounded, but they will fully recover.

3. Today, while an Mi-8 helicopter of the Peruvian Army was carrying out a supply mission for troops in our territory, it was shot down by an Ecuadoran missile. Unfortunately, the five helicopter crew members were killed as a result of this attack.

4. The Armed Forces Joint Command, in their goal of defending territorial integrity and sovereignty, will continue to operate within the limits established by the Rio de Janeiro Protocol.

[dated] Lima, 29 January 1995

[signed] Armed Forces Joint Command Information Division

Elite Anti-Terrorist Troops Deployed to Ecuadoran Border

PY3001171595 Madrid EFE in Spanish 1553 GMT 30 Jan 95

[FBIS Translated Text] Lima, 30 Jan (EFE)—According to military sources, during the past few hours elite Peruvian anti-terrorist troops have been sent by the Army High Command to the border zone of the Cenepa River headwaters, where the heaviest clashes between Peruvian and Ecuadoran troops have been taking place.

The special anti-terrorist forces, including parachute troops, have been sent to the border because of their high degree of training in forest combat.

During the past few years these troops have participated actively in the struggle against "Shining Path" terrorists and drug rings.

At dawn today, military sources from Tumbes, on the border with Ecuador, asserted that over the past few hours the troops in nine border sectors have been increased.

The same military sources also said that three cruisers and five destroyers are in a state of alert, and several dozen naval pilots had been mobilized.

Other military sources said that within about 72 hours Peru may mobilize 20,000 reservists and an undetermined number of reserve officers.

While the clashes and skirmishes continue in the Condor Mountain Range, the Peruvian Armed Forces Joint Command today announced the downing of a Peruvian helicopter during clashes that took place yesterday, and the death of its five crew members.

It added that Peruvian troops have recovered Cueva de los Tayos, where one officer and one soldier were wounded.

Some 80 Peruvian Merchants Expelled From Ecuador

PA2901233895 Lima Panamericana Television Network in Spanish 2136 GMT 29 Jan 95

[FBIS Translated Text] Confirming earlier reports, today at 1000 [1500 GMT] Peruvian Armed Forces troops carried out a successful operation in the conflict zone, dislodging Ecuadoran invading troops in the area known as Cueva de los Tayos. No casualties were reported in this action carried out by the Peruvian Armed Forces. It was learned that only one lieutenant was wounded. He was evacuated from the area and is recovering satisfactorily.

In a telephone conversation we relayed to you approximately one hour ago, our special reporter Elsa Ursula said Ecuadoran television has shown a video of a dead soldier whose corpse was transferred to Quito. A few moments ago, our special reporter Elsa Ursula informed us that 80 Peruvian merchants were expelled—we repeat, expelled—from the Ecuadoran border city of Loja. The Peruvian merchants, who were simply conducting routine business, were suddenly forced to leave Ecuador.

Army Reinforcing Troops in Northeast Against Shining Path

PA3001001095 Paris AFP in Spanish 2322 GMT 29 Jan 95

[FBIS Translated Excerpt] Lima, 29 Jan (AFP)—It was reported on Sunday that the Peruvian Army has been

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sending reinforcements to the Alto Huallaga zone (northeast of Lima) since Thursday because of the possibility that members of the red faction Shining Path will take advantage of the situation caused by the border conflict between Peru and Ecuador.

A military spokesman in Alto Huallaga, contacted via telephone by AFP, said "soldiers and officers have been restricted to quarters and leaves have been canceled as a precaution in case of any attack by members of the Shining Path who have sought shelter in the zone and are supported with weapons from drug traffickers." "Only the troops in Tarapoto, in the northeastern Peruvian jungle, have been deployed to a strategic zone to engage in combat if the command orders it," he indicated. Inspection patrols and surprise raids have increased throughout the emergency zone "to eliminate any chance that members of the Shining Path will attack our posts," he said. [passage omitted]

The troops are being reinforced because of a document written in 1981 by Abimael Guzman, which said that the Shining Path would wait for military actions between Peru and Ecuador to distract the Army and favor the strategic achievement of their goals, according to the spokesman in Alto Huallaga.

Venezuela

Caldera on Ecuador-Peru Conflict; Summit To Proceed

PA2901035095 Mexico City NOTIMEX in Spanish 0032 GMT 29 Jan 95

[FBIS Translated Text] Caracas, 28 Jan (NOTIMEX)—President Rafael Caldera today voiced his concern over the turn the conflict between Peru and Ecuador has taken and announced that Andean countries would seek a solution to the crisis. After attending a partisan meeting, Caldera said he got in contact with Peruvian President Alberto Fujimori and Sixto Duran-Ballen to convey to them "the concern and anguish of the Venezuelan people." Caldera noted that he also contacted Bolivian President Gonzalo Sanchez de Lozada and Colombian President Ernesto Samper to "offer and request the assistance we may provide to solve this problem" on the border.

Foreign Minister Miguel Angel Burelli Rivas said yesterday that the government places its pacifist tradition and friendship in the service of understanding to overcome any conflict that those two nations in the Andean Pact are experiencing. As a Bolivarian country, Venezuela makes a call for reflection because there is nothing worse than war, Burelli Rivas noted, adding that the Andean Summit scheduled for this week will be held and not delayed.

International observers have said that the conflict, which has worsened because of mutual accusations of incursions and an unspecified number of victims, may threaten the Andean Summit set for 2-3 February. Presidents from the nations that comprise the Andean Pact—Bolivia, Colombia, Venezuela, Peru, and Ecuador—are scheduled to attend the meeting in Venezuela's eastern city of Cumana. The purpose of the Andean Summit would be to revive the Andean presidential meetings, which have not been held since 1992 when Caracas and Lima broke off diplomatic relations, the diplomatic sources stated.

Source at the Venezuelan Presidency said that everything is basically ready to welcome the presidents, who will arrive on the Caribbean island of Margarita on 1 February and then proceed to Cumana.

Financial Board Issues Measures Restricting Bank Credits

PA2701204495 Caracas EL NACIONAL in Spanish 24 Jan 95 p D-5

[Report by Fabiola Sanchez]

[FBIS Translated Text] The Financial Emergency Board has imposed a set of severe administrative measures on a group of banks, official sources have reported.

As part of the adjustment plan approved by financial authorities for banks, a set of administrative actions was established, which institutions must observe strictly until they recover their levels of solvency and liquidity.

Among the measures the troubled banks must fulfill beginning this week are:

1. They will not be able to grant credits to related enterprises or shareholders of the financial group. New credits could be granted provided the appropriate loan-guarantee relationship is maintained and the real value of the guarantee is enough to cover protected obligations.

2. They will not be able to grant dividend and profit payments to shareholders of the institution.

3. The Superintendency of Banks will appoint officials to oversee on a daily basis each of the financial entities.

4. The institutions must forward on a weekly basis to authorities reports on cash flow movements, foreign currency standings, new credit relationships and their respective guarantees, as well as the granted refinancing and information on collection.

5. Immediate collection of debt from related or associated enterprises.

6. Obligation to reinforce the guarantees on credits already granted.

7. Technicians from the Superintendency of Banks will conduct careful inspections over the banks' computer systems, with the support of PDVSA [Venezuelan Petroleum, Inc.].

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CAPITALIZATIONS

In a term not exceeding one week, the directors of banks facing problems must inoculate their institutions with fresh capital. The sources explained that the recapitalizations agreed upon for institutions will not only serve to cover the losses but also to restock the credit portfolio that presents delays and does not have enough guarantees.

The difficulties of each institution will be dealt with jointly with those of related financial enterprises. Under this premise, authorities approved provisions to replace capital between 8 and 12 billion bolivares. The recapitalizations were made through the purchase of a bad portfolio of the bank and the injection of fresh money.

JEF Rules Out Nationalization of Banking System

PA2801001995 Caracas EL UNIVERSAL in Spanish 23 Jan 95 Section 2 p 1

[FBIS Translated Text] After analyzing the country's finances for a number of days, the Emergency Finance Board [JEF], the Finance Ministry, the Central Bank of Venezuela, Fogade [Deposit Guarantee and Banking Protection Fund], and the Superintendency of Banks, along with other experts, yesterday rejected all proposals to nationalize the banking system.

The decision includes a number of steps to be taken by the banks to guarantee their normal operation—for example, a rapid capitalization process.

It also includes an in-depth study of the Venezuelan financial system by international auditors, which the Superintendency of Banks will contract abroad.

In addition, the board agreed to redefine the concept of a universal bank, which will mean greater control over investment banking.

The study of the banking system was based on bank balances as of 31 December 1994. Furthermore, a rapid capitalization of the system has been ordered.

Communique

In a communique issued this morning, following a day of meetings which included a visit to La Casona to hand over the results of the study to President Caldera, the JEF completely rejected the nationalization of banks and reported the measures adopted.

Following is the text of the communique:

The JEF rules out the nationalization of the banking system and informs the public that:

1. The JEF has started to study and verify bank statements and balances as of 31 December 1994, which have been prepared according to the new methodology and remitted by the banking institutions to Superintendency of Banks.

2. Having analyzed the bank statements, the JEF has decided to impose an immediate capitalization program on all financial institutions in order that all financial institutions which operate in the market may do so on a consistent and solid basis. The international norms for national reserves will serve as a framework to enable stockholders of the financial companies to contribute the funds needed to achieve a definitive financial reorganization. Institutions which do not comply with this program will be the focus of special measures. All financial mechanisms established under the law to strengthen the stability of the banks will be put into practice in order that the users of the financial system will be guaranteed that they are dealing with solid and responsible institutions.

3. The JEF has decided to redefine the concept of the universal banking system and will dictate norms that will limit the operations of investment banks to prevent their operations from being directed toward high risk activities—activities that involve the stock market.

4. To consolidate and support the supervisory institutions, the JEF, having previously complied with legal requirements, has decided to implement a special external auditing program. To this effect, the Superintendency of Banks will seek bids from the key international auditing firms which specialize in financial supervision with the objective of achieving a strict and integral revision of the financial institutions.

5. The JEF reaffirms that the basic objective of all the steps which have been taken to date has been the protection of savers and depositors.

6. The JEF emphasizes that all information on issues which fall within its authority will be communicated exclusively through bulletins to give the public factual information.

Caracas, 22 January 1995

Copei Asks Government To Restore Guarantees

PA2801010195 Caracas EL NACIONAL in Spanish 23 Jan 95 p D-2

[Report by Alfonso Zambrano and Milagros Duran]

[FBIS Translated Text] Bobures, Zulia (Special)—Both Donald Ramirez, secretary general of Copei [Social Christian Party], and former presidential candidate Eduardo Fernandez have asked the government to immediately restore suspended constitutional guarantees in light of the recent financial policy results.

For Copei Secretary General Donald Ramirez, one of the achievements of the Rafael Caldera government is that it has restored the dignity of the office of the president of the Republic.

Nevertheless, the Social Christian leader, who attended a regional memorial for Cristo Chourio, the Copei parliamentarian who died several years ago, said Copei is

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concerned over the worsening of economic and social problems resulting from erroneous policies. These have made the situation of the Venezuelan people, and therefore the FAN [National Armed Forces], more difficult.

He warned that the possibility of a new coup attempt cannot be discounted.

He said that while Venezuelans must be on the alert, they must recognize the adherence and loyalty of the FAN to Venezuelan democracy and its subordination to the power derived from the people. But in light of conflict, in light of the real possibility of a social upheaval, the role of the FAN must be carefully examined. Also, of course, the FAN must be listened to because it is part of the Venezuelan society and plays a fundamental role in the consolidation, defense, and stability of Venezuelan democracy.

Ramirez made the aforementioned statement, upon commenting on the third anniversary of the 4 February 1992 coup attempt.

He noted that the last financial policy results demonstrate that, despite the suspension of political and economic guarantees, the government cannot justify that a bank such as Banco Progreso and Grupo Latinoamericano have collapsed and those responsible have fled the country unpunished.

What the government needs, he said, are appropriate policies to restore constitutional guarantees, because while the guarantees remain suspended the government will not be able to face the challenges of privatization, and the opening of investment in the areas of petroleum, mining, and the CVG [Venezuelam Guayana Corporation].

ANTONIO LEDEZMA

Even with the suspension of constitutional guarantees, there has not been a reduction of crime in Venezuela, and this is why citizens need the prompt restoration of guarantees.

The aforementioned statement was made by Senator Antonio Ledezma, who added: "I think there is no justification to continue to maintain the suspension of constitutional guarantees, and that is why I urge the government to restore guarantees as soon as possible."

Ledezma also said Congress must make a prompt decision on the judicial police draft bill aimed at fighting crime throughout the country.

The problem of crime has reached alarming levels and is one of the largest obstacles that the democratic system must presently resolve, Ledezma asserted.

Regarding the draft bills pending discussion by the legislative branch, the senator stressed that the reforms to the Criminal Procedural Code and the Penal Code Must be revised.

Regarding economic issues, we will also revise early this year the so-called Sosa Plan II, which is a new version of the plan by Finance Minister Julio Sosa Rodriguez. This will enable Congress to learn exactly what the objectives and scope of the new tax plans the government hopes to implement are, Ledezma commented.

"In addition, Congress will examine or review the gaps that may be included in this year's budget," the senator concluded.

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